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Daily Report

Latin America

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Argentine Official Admits Obstacles Hinder Mercosur Trade

PY0908150494 Asuncion ULTIMA HORA in Spanish;
8 Aug 94 p 13

[Text] Jorge Campbell, main Argentine negotiator at the Common Market of the South [Mercosur], has not hesitated to admit to ULTIMA HORA that non-tariff barriers will continue to hinder Paraguayan trade during 1995, despite the liberation of trade in products.

"We must be aware that the agreements in Buenos Aires will not automatically liberate trade between countries in the region, because Mercosur is not magic," Campbell told ULTIMA HORA.

The Argentine Foreign Ministry integration director, who had a significant role in the pulling and pushing between Argentines and Uruguayans over the latter's wish to preserve their trade privileges, was very clear in saying that Paraguayans should not expect all Argentine non-tariff obstacles to disappear during 1995.

"This is just the beginning of a process. We have a diplomatic agreement, but reality has dynamics of its own, and it is not easy to overcome people's mentality from one day to the other," Campbell said.

The Argentine official did not hesitate to admit that it is possible that the inconveniences would continue on the Encarnacion-Posadas bridge, or that one or another bureaucratic exaggeration on roads entering Argentina from the border would continue, such as the requirement limiting the crossing of Paraguayan cotton to Argentina to a single road in order to prevent the spread of the boll weevil, and so forth.

Campbell insisted this is not discrimination against a small country, but rather an example of the little problems that always exist between neighbors. He would not accept being compared with Economy Minister Domingo Cavallo due to some of the statements he had made, adding that what the press had attributed to Cavallo was a wrong interpretation.

Campbell said that the statistics tax imposed by Argentina to protect its industry from an invasion of Brazilian products will be eliminated by 1995. Other Argentine sources said, however, that the tax will only change name, and will continue to protect influential industrialists. The rate will decrease, however, from the current level of 10 percent to 3 percent. The revenues from this tax will be used to help the technological renewal of Argentine factories.

The Argentine official said that the integration process is progressing rapidly despite everything, because so far the original schedule establishing 1 January 1995 as the deadline for the disappearance of tariffs in the region is being respected. Negotiators were also able to reach a consensus on foreign tariffs for 60 percent of partners' products, which means that the customs union will start being a reality on 1 January 1995.

Regarding the dispute with Uruguay, Campbell said it is natural for a state to defend its current interests, for Mercosur is essentially the future.

Correction to Bolivia's Cardenas Urges Open Regionalism

PY0908031194

The following correction pertains to the item headlined "Bolivia's Cardenas Urges Open Regionalism" published on page 11-12 of the 8 August Latin America DAILY REPORT:

Page 11, column two, last paragraph, first sentence, reads ... Messrs. Presidents, with the signing ... (adding dropped words)

Page 12, column one, paragraph five, only sentence, reads ...that to avoid traumatic experiences, any opening process must necessarily follow ... (adding dropped words and rewording per monitor recheck.)

Page 12, column one, end of paragraph five to paragraph six, reads ... and business structures. [new paragraph]

Messrs. Presidents, foreign ministers, and participating delegations, I assure you ... (adding dropped words)

Cuba

Castro Returns to Havana From Bogota

PA0908133094 Havana PRENSA LATINA in Spanish
1117 GMT 9 Aug 94

[Text] Havana, 9 Aug (PL)—Cuban President Fidel Castro today returned to Havana from Colombia where he attended the swearing-in ceremony of President Ernesto Samper.

The Cuban leader arrived at the crack of dawn today after taking part in Sunday's transfer of power ceremony with other heads of state. His tight schedule included an interview with the new Colombian president and Cuban solidarity groups.

The emotional meeting, held just hours before traveling to Havana, took place in the centrally located Tequendama Hotel's main convention center and was attended by hundreds of labor union, youth, and feminist leaders, congressmen, and other personalities, with whom Fidel Castro talked extensively.

Visibly moved and grateful for the expressions of solidarity, he told those present that the world would always have dignity, liberty, and hope as long as there were people like them.

Although Fidel Castro has traveled to Colombia three times since 1993, this was his first trip to Santa Fe de Bogota in 46 years. Castro was last there 46 years ago for the 9 April popular revolt known as El Bogotazo [destructive riot in Bogota on 9 April 1948 following the assassination of Jorge Eliecer Gaitan]. Castro was a young student of 21 at the time.

Discusses Solidarity, Visit

FL0908170694 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 9 Aug 94

[Statements by President Fidel Castro during a meeting with Colombian solidarity groups in Bogota, Colombia; date not given; from the "NTV" newscast—recorded]

[Text] The values we are all sharing here, independently of ideology or philosophy as was mentioned, are supreme and sacred values. They are the values of fatherland, independence, freedom, justice, solidarity, fraternity, comradeship, and love for righteous causes. I am certain that these values unite us all here. [applause]

As I heard you talk, naturally, my thoughts turned to the time when I first had the privilege of visiting Bogota. I was a 21-year-old third year college student. I certainly do not believe that either ideals or the spirit of struggle have gone with the years. [applause]

I can say that joining the people at that time, running the same risks as the people did miles away from the fatherland, without my family knowing anything, was

one of the most unselfish things I ever did in my life, one of the most disinterested and pure things I ever did. [applause]

The causes are the same, the righteous causes. My internationalist judgment is that they are the same causes in any part of the world. There is no reason to defend each noble cause, each righteous cause just in the fatherland. One needs to know how to defend these causes anywhere in the world one might happen to be. [applause]

Official Comments on 'Distant Shore,' U.S. Policy

CM1008124494 Havana Radio Havana Cuba in Spanish 0000 GMT 10 Aug 94

[Report on interview with Carlos Fernandez de Cossio, director of the North American Directorate of the Ministry of Foreign Relations, by Zenaida Costales and an unidentified reporter; place and date not given; from the "Evening Information Review" newscast—recorded]

[Text] [Costales] What is your opinion of operation Distant Shore?

[Fernandez] The operation is simply the result to the United States' fear that something similar to the Mariel boatlift might take place. The operation is not aimed at Cuba alone, it actually stems from their general fear regarding what they call a mass and uncontrolled invasion or immigration influx. This also includes such cases as Haiti, the Dominican Republic, and other Caribbean regions.

My opinion is that this is a defensive measure the United States is considering in the face of a real and potential problem which they believe could take place in the Caribbean. There are many reasons for this. In many countries it is due to the existing economic conditions; in others, such as Haiti, it is due to the economic situation in addition to the current political repression of the military regime; in the case of Cuba, it is due to the policy of encouraging illegal departures which the United States follows. They are aware that Cuba is subjected to an economic blockade and according to their projections, they are aware of the possibility of a wave of people trying to escape the difficult economic situation which they are deliberately trying to create by means of the blockade.

One could even say the plan is a logical reaction in light of what they expect is a likely possibility in the Caribbean.

[Costales] Is this the answer the Cuban Government expects, the quick response the Cuban Government demands?

[Fernandez] Do you mean: Is Distant Shore the answer the Cuban Government expects? The Cuban Government does not expect any answer from the U.S. Government or this type of operation. What the Cuban

Government expects from the United States is a willingness to base immigration affairs between the United States and Cuba on a foundation of normalcy. Cuba also expects the United States to stop using the immigration issue as another tool of their policy toward Cuba, their defensive policy against the Revolution as they have done for the past 35 years.

The moment this happens, Cuban immigration policy will cease to have a defensive character in the face of a foreign aggression, as our economic policy has a defensive character, as our diplomacy has a defensive character. To some degree, Cuba's immigration policy stems from the fact that U.S. immigration policy toward Cuba is offensive [words indistinct] with a series of offensive objectives.

[Costales] In your opinion, if there were to be a mass exodus: What consequences would this have for Cuba and the United States?

[Fernandez] For Cuba: First of all, we would get rid of a group of people who are apparently discontent either due to economic reasons, or political, or social reasons. This would alleviate the social situation of Cuba.

For the United States: They would have to confront—in addition to the number of people who might arrive, and of course, keeping in mind the nature and type of people who might arrive—the entire burden of the socioeconomic impact and therefore political jolt of the massive and sudden presence of large numbers of people on their shores.

This would alter the entire control system for the U.S. coasts, not only for immigrants but also for tourists and the traffic of people and all kinds of things. I suppose that based on the kind of problem the U.S. Coast Guard would be faced with, there would be a traumatic shift in the measures they will have to adopt to exert control over their coasts.

[Reporter] Finally, do you foresee within the next few days, hours, or weeks a prudent response from the U.S. Government to the solution offered by the Cuban Government to resolve the immigration issue?

[Fernandez] I predict the U.S. Government may be willing to evaluate the implications for all of its players and its own national interests if Cuba adopts the measures announced by the commander in chief—namely that Cuba may be forced and obliged to eliminate obstacles for the entry of vessels coming to pick up people or for the departure of those who, without committing a crime—stealing or hijacking boats or aircraft—want to leave the country. The United States must be carefully examining this. At least, some sectors must be analyzing this.

We must take into account that there is a series of interests at stake. On one hand, some people do not care about the impact this will have on their society and are only interested in destabilizing the Cuban Revolution.

On the other hand, there are some people whose economic and social interests may be affected. They might influence any decision that is made.

[Reporter] Do you not think that President Clinton is likely weighing the tragic results a similar action brought for President Carter, who allowed the massive Mariel boatlift of 150,000 Cubans? This reportedly affected Carter's reelection plans at that time.

[Fernandez] That is very likely. The U.S. Government, the current administration, has announced that it will not act as it did earlier in the case of a potential Mariel. Nevertheless, it has not said what this means.

GRANMA Notes U.S. 'Desperation' on Immigration Issue

PA0908163594 Havana PRENSA LATINA in Spanish
0828 GMT 9 Aug 94

[Text] Havana, 9 Aug (PL)—The official daily GRANMA says today that Cuba's decision on the impossibility of continuing to guard U.S. borders has once again brought into the open Washington's true intentions on the immigration issue.

Once again it is clear that it is not Cuba that prevents the exit of Cubans who want to leave the nation and take refuge in "the promised land," states the long article, which also recalls that it is not the Cuban revolution that is infringing on existing immigration agreements.

GRANMA adds that ever since President Fidel Castro said that Cuba would not stand in the way of those who want to take their chances and cross the strait to Florida, by means that do not include hijackings, in search of their relatives, the U.S. Government has been enraged and filled with fear.

"Just like before when air piracy was dealt a setback, now the maritime channel is going down the same road," the voice of the governing Communist Party says.

GRANMA cites the concerns expressed by the U.S. Interests Section in Cuba, Attorney General Janet Reno, and other U.S. officials over a possible repetition of the massive arrival of Cubans that occurred in 1965 and 1980.

Among these statements, it points out those of David Johnson, the U.S. State Department's acting spokesman, who said that "William Clinton's government is seriously concerned about Fidel Castro's recent statements."

All these statements, all these calls for calm made now out of desperation by the United States do not correspond with the traditional U.S. policy of promoting violence and illegality, the daily notes.

Further on in the article, the daily asks where the hired proclaimers of Yankee propaganda are now, those who

via the enemy's radio encourage destabilization of the revolution. "They went out for wool and came home shorn," it noted.

In reference to the incidents provoked on Friday by antisocial individuals in this capital, GRANMA said that "these revealed that there is an exception to every rule: the saying about fishing in troubled waters did not work out for those in Washington who insist on blocking, attacking, and destabilizing Cuba."

Paper Views Situation With U.S. in Wake of Incidents

PA0908183994 Havana PRENSA LATINA in Spanish
1325 GMT 8 Aug 94

[Text] Havana, 8 Aug (PL)—Today's editorial in TRABAJADORES states that, in these years, the future and survival of the Cuban nation is being decided.

The Cuban weekly adds that the old and acute conflict between the United States' hegemonist desire and the determination of the Cuban people to remain independent is walking the tightrope.

In this manner, TRABAJADORES comments on the present picture of the Caribbean island marked by recent incidents among which the hijacking of several civilian vessels and the action of groups that used violence against commercial establishments and the population on Thursday stand out the most.

Cuba has accused Washington of being the mastermind of these incidents and places them within the framework of a destabilization plan aimed at internally dividing the people and promoting a bloodbath together with a U.S. armed intervention.

We Cubans know the U.S. strategy by heart, the editorial adds. First the blockade, a key element aimed at creating economic and social difficulties; then comes the political, ideological, and diplomatic war aimed at leading the country to internal unrest; and the logical end to the plan, direct military intervention by the United States.

The TRABAJADORES editorial continues to say that Thursday's incidents will not be the first or the last outbreak of disturbance because Washington has a fifth column in Cuba, recruited mainly from among the social scum and groups of active believers in annexation.

TRABAJADORES points out that the recent episodes of violence added a component of indignation to the people's awareness that the revolutionaries must act quickly, together, and with a spirit of unyielding struggle, in light of the problems that are harming the country's ability to recover.

The editorial calls on the people to fight and continue to fight to improve production and the economy, order and discipline, and to confront and correct mistakes, passivity and insensitivity.

May the recent incidents serve to reaffirm the certainty that the current enemy is doing all in its power to destroy us and it will not hesitate, should it ever consider us sufficiently weak, to wage a total war against our homeland, the editorial concludes.

Situation 'Returning to Normal' on Havana's Malecon

FL0908161394 Havana Tele Rebelde and Cuba Vision
Networks in Spanish 0000 GMT 7 Aug 94

[Report by Jose Luis Rumbaud; from the "NTV" newscast]

[Text] Antisocial individuals who rioted on the afternoon of 6 August, vented their anger on hotel and store display windows and threw stones at passers by. By this morning many of those places had been repaired.

This video shows moments when antisocial individuals were rioting. [video shows crowds milling, running, rummaging through broken display windows] A while later, El Malecon looked like a storm had hit it. By this morning the picture had changed; on one hand, construction workers and locals were cleaning the city, on the other, in support of the Revolution young revolutionaries were patrolling the streets where the street melee took place.

At the Deauville Hotel workers reacted quickly:

[Begin recording] [Higinio Diaz, hotel worker] Well, right away after these antisocial people trashed the hotel, all the workers responded immediately to repair everything as much as possible. They began to clean up all the broken windows and the damage done to the entrance of the hotel because the antisocial people were unable to get inside.

Later on, Construction and Tourism Ministry workers helped in the efforts, boarding up windows and doors.

[Rumbaud] Was the damage extensive? Is it going to be very costly?

[Ruben Rodriguez, hotel manager] Ten of our display windows were broken. An estimate on the cost has yet to be made because it depends on the current price of such panes of glass. However, the comrades from Union of Caribbean Construction Enterprises [UNECA] have been assigned to fully restore the hotel's facade by today. The glass cutters brigade is already working on it. The measurements were taken very early this morning. We expect them to begin replacing the windows this afternoon and everything will return to normal. [end recording]

Perhaps, the Miami shoe store of the TR de Caribe [as heard] chain, was the most damaged facility.

[Begin recording] [Emilio Toledo, store manager] At approximately 1500, a bunch of about 10 or 12 criminals—you know, by the way they looked—began to

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break the display window and take the items on display. Other people then joined them, about 50 or a 100 people. I cannot say specifically because I saw them from inside the store. The crowd began to break the windows and take the merchandise. This is why I insist this is not a crime of a political nature, it is a common crime, robbery. The rioters never made any kind of political statement. This is simple and clearly antisocial, criminal behavior, people simply wanting to loot the store.

[Rumbaud] Were they able to get inside the store?

[Toledo] No, because the workers did not allow it. They used clubs and fire extinguishers to fight them back.

[Rumbaud] Have you made an estimate of the costs of the repairs?

[Toledo] We calculate about \$1,500 or \$1,600.

[Rumbaud] What is the attitude of the workers? Do they plan to fix the store up quickly?

[Toledo] The store is already repaired. As a matter of fact, we spent all night and morning working in order to reopen the store. As soon as the inventory is restored we will open the store; some time around noon. [end recording]

As an eyewitness, this image will always stay with me.

[Unidentified speaker] This is a turning point!

Stones not only break glass, they also endanger the lives of passers by. This is what social disorder and criminality, disguised as counterrevolution, leads to. Happily, everything is returning to normal in El Malecon as well as the stores.

Injured Policeman Reports 'Down With Fidel' Chants

FL1008022494 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 7 Aug 94

[Report by Maribel Acosta; from the "NTV" newscast]

[Excerpt] Alejandro Zamora, a 20-year-old policeman, who was beaten on 5 August by antisocial individuals, remains in serious condition at the Hermanos Ameijeiras Clinical Surgical Hospital.

[Begin recording] [Acosta] What happened?

[Zamora] I left home and was told to report to my unit. I left home on my bicycle by way of El Malecon, and was headed to Las Pampas where the members of my unit were located. As I got to the Deauville Hotel I saw two large groups of people. As I passed between the two groups, I hear them shout: One, two, three! Now! Then they began throwing stones at me.

[Acosta] Did you provoke them, or say anything to them?

[Zamora] No. I was simply en route to my post. I never said anything. I was simply riding my bicycle to my post when they began throwing stones and clubs, some of which hit me on the head. As I passed between them, many of them began chanting: Down with Fidel! Down with Socialism!

I stopped, and as I got off the bicycle, the people continued throwing things at me. I got my gun and fired it once into the air to make them run away so I could leave the area. This was to no avail, they continued attacking me. I was already feeling bad because of all the blows.

[Acosta] About how many people were hitting you?

[Zamora] Many, I could not tell you how many, but they were quite a few. [end recording] [passage omitted]

Mass Rallies Held in Havana 8 Aug at Riot Sites

FL0908150494 Havana Radio Rebelde Network in Spanish 1700 GMT 8 Aug 94

[From the "National Radio News"]

[Text] Havana political and mass organizations have acknowledged the attitude of the locals who confronted the antisocials and to this end will hold revolutionary reaffirmation ceremonies this afternoon. Havana's revolutionary efforts continue today in two significant fronts, sustained work in production and services in every active workplace city-wide as well as strengthening ideological education and mobilization efforts with the citizenry. Havana had a monumental and energetic reaction to the vandalism conducted by antisocial individuals a few days ago when Havana residents neutralized the enemy actions within hours.

Yesterday, Revolution Square became once more a chalice of the unbreakable will to defend the Revolution at any cost.

Today, as a prelude to the burial in Guantanamo of the young martyr Gabriel Lamoth Caballero, Havana will show gratitude for the courage, integrity, and sacrifice of those who in fulfillment of their patriotic duty repelled the antisocials, disregarding all concern for injury or death.

The Committees for the Defense of the Revolution, the Cuban Workers Federation, and youth organizations, together with the Communist Party of Cuba [PCC] and Havana's government began rendering homage to common heroes at 1000, and from 1400 to 1500, ceremonies of revolutionary reaffirmation and complete support to the PCC and Commander in Chief Fidel Castro Ruz will be held at the Deauville Hotel and De la Punta Fort.

The irrefutable mood of this 8 August in Havana is: To die for the fatherland is to live.

Naval Officer on Search for Policeman's Body*FL0908174694 Havana Radio Rebelde Network in Spanish 0900 GMT 9 Aug 94*

[Statement by Lieutenant Colonel Ignacio Bengochea, Havana Port Naval Command chief, at the Port of Havana on 8 August; from the "Doing Radio" program—recorded]

[Text] We began the search immediately. As soon as we knew of the ferry's hijacking, we saw the bodies fall in the water. We immediately took to the water with one of our light craft. We rescued two citizens, two other citizens were rescued by that courageous young man Eduardo, who has also been interviewed by this and other stations.

Subsequently, we started efforts to recover the body of comrade Lamoth from the bottom of the bay. This did not take long. It took about 20 minutes to recover his body.

We continued the search and rescue efforts. We have conducted an extensive search with up to 32 divers in the Havana Bay area, with the additional support of the Revolutionary Navy, and comrades from the 15th Search and Rescue Command unit, who have also done an excellent job. I must point this out and commend the youth for helping in these events.

So far, the search has not produced the second body that is said to be at the bottom of Havana Bay. However, we have also been searching the surface since early morning because the body sank over 72 hours ago, and logically it.... [recording cut in mid sentence]

Second Victim Said Not To Be Policeman*FL0908180694 Havana Radio Rebelde Network in Spanish 1700 GMT 9 Aug 94*

[Report by Orlando Gonzalez; from the "National Radio News"]

[Text] After a 72-hour search in the depths of Havana Bay, the death of a second individual victimized during the hijacking of the Baragua Ferry has not been solved.

Lieutenant Colonel Ignacio Bengochea, Havana Port Naval Command chief, has further details.

[Begin Bengochea recording] It is true that we found a pair of boots, but we cannot tie this to a victim since we have yet to receive information from any unit reporting a missing policeman. However, we have continued the search because it does not matter whether the victim was a policeman or not. It is a human being and our duty is to try to recover the body regardless of the identity. [end recording]

Hijacking, Death of Officer Confirmed*PA0908200594 Hamburg DPA in Spanish 1922 GMT 9 Aug 94*

[Text] Havana, 9 Aug (DPA)—A spokesperson for the Cuban Foreign Ministry in Havana today confirmed the

death of an officer of the Cuban Revolutionary Navy (MGR) and the hijacking of a civilian vessel. According to an anonymous source, an MGR lieutenant was killed when the ferrocement vessel, that was rented by the armed corps, was stolen. The spokesperson said that four sailors who were forced to jump overboard are safe and sound.

A Miami radio station reported today that the Cuban authorities had advised the U.S. Coast Guard of the hijacking and said the vessel could be a gunboat.

The U.S. Coast Guard in Miami did not confirm or deny the information on the type of vessel, even though they did say that "it had not been located."

WASHINGTON POST 'Mariel II' Article Cited*FL0908180894 Havana Radio Rebelde Network in Spanish 1700 GMT 9 Aug 94*

[From the "National Radio News"]

[Text] The 9 August edition of THE WASHINGTON POST affirms that the U.S. blockade against Cuba worsens the suffering of the people and recommends that President William Clinton ease it. In an editorial entitled Mariel II, the newspaper points out that a gradual reduction of measures which they call an embargo, would ease rather than worsen emigration problems. The WASHINGTON POST asks Clinton to develop a new mentality regarding Cuba because: The blockade, among other things, punishes innocent people.

The editorial adds that Washington ought to rethink its position on Havana or it will have to face a difficult situation. The editorial points out that Clinton might be able to strategically halt vessels trying to reach Cuba and Florida, but asks: What about the people?

In this regard, the editorial affirms that to ignore Cubans trying to emigrate could offend many Americans, and allowing them in would result in an extraordinary burden for many Florida regions. Also, allowing Cubans in, while closing the door to Haitians, would be an offensive decision.

Bilateral Relations With Ecuador Strengthened*PA1008020694 Havana PRENSA LATINA in Spanish 1003 GMT 8 Aug 94*

[“Exclusive” article by Silvio Mendiandua]

[Text] Havana—The political decision made by Cuba and Ecuador to strengthen their relations—a decision guaranteed by the signing of several agreements and the identification of new trade and economic cooperation opportunities—is creating a favorable and practical climate between the two countries.

The foreign ministries of the two countries have underscored this dynamic phase in historical Cuban-Ecuadoran relations, which hit new highs during the

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smooth talks between Presidents Fidel Castro (Cuba) and Sixto Duran-Ballen (Ecuador) at the Ibero-American summits.

During the July visit to the island by Ecuadoran Foreign Relations Minister Diego Paredes, Cuba and Ecuador signed agreements on tourism, cooperation in the farming of bananas, and exchanges between their diplomatic missions based upon principles of mutual economic support and cooperation.

According to experts, the two countries are preparing aggressive tourism development plans based on joint programs to exchange tourists.

The possibility of Cuba offering epicurean technical assistance in the creation of a hospitality school in the South American nation was also mentioned.

A mutually advantageous agreement also was signed in the realm of banana farming, a field in which Ecuador has a great deal of prestige because of its large exports—No. 1 in the world for many years.

Cuba would make good use of Ecuadoran agricultural technology to enhance its banana crop, organize its harvest, and preserve the fruits. In exchange, Cuba would offer one of its significant scientific achievements by providing stumps that are highly resistant to the black sigatoka disease, whose devastating effects adversely affect the Ecuadoran economy.

The exchanges between their diplomatic missions constitute another indication of the fertile stage relations between the two Latin American countries are going through—relations that will advance with the this month's visit to Ecuador by Cuban Foreign Relations Minister Roberto Robaina.

The results of the Cuban-Ecuadoran talks are visibly increasing based on an integrationist and mutual cooperation plan.

Paredes and ministers Ricardo Cabrisas (foreign trade) and Ernesto Melendez (foreign investment) thoroughly revised economic and bilateral cooperation relations and left the door open to trade and joint venture initiatives among businessmen of the two countries.

The existence of mechanisms the two parties are failing to take advantage of was highlighted during the talks.

Cuba and Ecuador agreed the possibilities go beyond the existing ones. One example of trade opportunities the two countries are planning to recover is the three-way oil agreement. Years ago, operations related to this oil agreement reached \$400 million, but today they are under \$96 million.

In addition, there is a reciprocal interbank credit agreement, which can be used to finance the Cuban imports bought by Ecuadoreans.

At the negotiating table, the Quito government has proposed the sale of rice, beans, and other foodstuffs, which would be paid with generic medicines whose acquisition could lower the prices of medicine in the South American nation.

Cuban-Ecuadoran relations have many features, and these include the possibility of businessmen from the two countries operating enterprises together.

To this end, several initiatives were proposed. One initiative is the visit by a group of businessmen to Cuba to learn firsthand about investment opportunities.

Holding a seminar in Ecuador to explain to potential investors the island's laws and opportunities to promote capital associations, joint ventures, and other business alternatives is another such initiative.

At the governmental level, the state is planning to resume the meetings of the intergovernmental joint commission to study the enhancement of agreements on sports, culture, education, and other fields.

More than 100 Cuban sports specialists are working in the central Ecuadoran provinces, and highly-trained medical personnel teach in the country for periods that range from one week to six months.

There are agreements on sugar, upkeep and maintenance of factories, enhancement of sugar production efficiency and facilities, exchange of technological information, and training for specialists to breed shrimp in artificial ponds.

Havana and Quito made the political decision to strengthen and broaden their diplomatic relations to the utmost, and to achieve this, they will employ practical methods.

This option, along with the identification of their economic, scientific, and technical enhancement possibilities, are guaranteeing a favorable future.

Appeal to Mothers Issued on Behalf of Police

FL0908142594 Havana Radio Rebelde Network in Spanish 1700 GMT 8 Aug 94

["Chronicle" by Angela Soto; from the "National Radio News": "This Time His Name Is Gabriel"]

[Text] This time his name is Gabriel, but before, a few years ago, their names were Yuri, Orosman, Perez Quintoza.

This time his name is Gabriel but before he was named Pedro Ortiz, that other young policeman guarding the entrance of a foreign embassy.

This time his name is Gabriel but before his name was Lopez Pena, that other young man guarding the sacred ground of the fatherland at the base in Caimanera.

This time his name is Gabriel but before his name was Eduardo Garcia, that young militiaman who wrote Fidel's name in his own blood before dying from gunfire from Yankee planes.

This time his name is Gabriel but before and always before, this time his name is Gabriel and we are burying him, barely 19, alongside a future brimming with dreams, with life.

Hear me American mothers who live and dream with your young children at your side; hear me Cuban mothers in Miami, I am telling you this through these 56 stations broadcasting from Cuba:

How could you not feel in your hearts the pain of the deaths of these youths, these young men of ours, born among the royal palms and the sun, a fertile land and the sea that cradles us?

How to remain unmoved before these crimes?

How to live blind to these young deaths, cut down before they even had a chance to bloom?

It is not possible for a Cuban mother, no matter where she is, to not hear these laments, this heart wrenching pain.

This time his name is Gabriel and other Cuban mothers cry for him and are ready to bury him.

Remember also that this is the land of Mariana Grajales, she who inspired her sons to fight for the just cause; she whose example wrote a new page in the Cuban epic; she who lived with dignity and greatness and taught us to be the mothers of lions and blossom into mothers of heroes.

[Read over violin and wind instrument music]

Roundup of Economic Developments

PA0908190994

[Editorial Report] The following is a compilation of reports on economic developments monitored through 9 August.

The Cuban delegate to the Petroleum Congress held in Santa Fe de Bogota said that Cuba will offer favorable credit terms to foreign investors who explore for and exploit petroleum through joint ventures that keep national sovereignty intact, according to a 27 July report datelined Santa Fe de Bogota. The goal of offering special credit terms is to obtain immediate revenues in foreign currency, in addition to training personnel in the petroleum sector and gaining access to new technology. (Madrid EFE in Spanish 0034 GMT 28 Jul 94)

The Cuban nickel industry, the nation's third biggest exporter with annual production of 40,000 tons, continues to have some of the best prospects nationwide for establishing economic associations between the nation and foreign companies. According to a 5 August report datelined Havana, GRANMA reported in its most recent

edition that there is a joint venture in Holguin between Cuba and the Canadian company Sheritt Incorporated. (Havana PRENSA LATINA in Spanish 1824 GMT 5 Aug 94)

The weekly GRANMA INTERNATIONAL reports that exploration in the past three decades reveals that Cuba has vast petroleum reserves from which was produced a record 600,000 tons in the first six months of this year, according to a 5 August report datelined Havana. It is estimated that 1.2 billion tons will be produced this year. (Havana PRENSA LATINA in Spanish 1654 GMT 5 Aug 94)

The ING Netherlands Bank, the largest marketing company in the world, today officially opened a branch in Havana, the first of its kind to operate on the island, according to a 5 August report datelined Havana. This bank recently granted \$50 million in credits to Cuba for the sugar and nickel industries. (Hamburg DPA in Spanish 2237 GMT 5 Aug 94)

For the first time within the context of regional integration, Cuban and Panamanian companies have formed joint ventures. This was accomplished with the signing of cooperation agreement for mining exploration in the mountainous areas of center and south Cuba, according to an 8 August report datelined Havana. Cuban technical personnel, geologists, and company managers will be trained in Panama for a four-month period. (Havana PRENSA LATINA in Spanish 2059 GMT 8 Aug 94)

Haiti

Army Trains Volunteers To Face Military Intervention

FL0908185094 Port-au-Prince Signal FM Radio in French 1030 GMT 9 Aug 94

[Text] Training sessions in case of a possible U.S. intervention in the country continue. The Army has chosen the Champ-des-Mars area to teach combat techniques to several hundred civilians. The training is being conducted to face a possible multinational military intervention in Haiti. The circumstances have changed. The volunteers have already begun handling M-1 and M-14 rifles, and so on. About 100,000 men are allegedly ready to fight alongside the Haitian Armed Forces in case of war, a military source pointed out. Haitians from the diaspora have allegedly come forward as volunteers as well, this source added.

'Thousands' in Training

FL0908192494 Port-au-Prince Radio Metropole in French 1045 GMT 9 Aug 94

[Excerpts] The training sessions continue, as well as the recruiting in the army centers. The training sessions continue in the Champs-de-Mars for the civilians who have volunteered to constitute a front of civilian resistance to a possible foreign, in particular American,

intervention in Haiti. The volunteers of the patriotic resistance group are trained to handle weapons by some army officers and noncommissioned officers. Contrary to the training sessions on 5 and 6 August, the volunteers received on 8 August some American M-1 weapons from the Haitian army stock. Jean-Max Blanc filed a report:

[Begin Blanc recording in Creole] Under the supervision of Haitian Army officers and soldiers, thousands of Haitians began the second week of military training on this Monday 8 August in almost all the garrisons in Port-au-Prince.

From early in the morning, the civilians are trained at various points in Champs-de-Mars, in garrisons in Fort Dimanche, Fort Lamentin, and those in the provinces, according to the Army. The objective of the training sessions is for the civilians to learn how to handle weapons in order to combat foreigners if they invade Haiti. The people who are doing the military training include the armed civilians known in Haiti as attaches. There are other Haitians who are getting familiar with weapons for the first time. In Champs-de-Mars, not far from the training field, unemployed people and pedestrians did not fail to attend the training sessions, perhaps for the first time in their lives. Some of those people state that even if they have not yet given their names, they will soon register with the group in charge of defending the country. The homeland is in danger. We must get together in order to defend it, stated some of them. Some went further, to assert that Haiti is sovereign just like others. Even if another country is powerful, this country has no right to take away our sovereignty. They add that foreigners are responsible for Haiti's current misfortune. [passage omitted]

However, all those viewing the training did not share the same opinion. While one group recognized that Haiti cannot lose its sovereignty, another group stated that Haitians put themselves in the problems that they are facing today. It is a good initiative for the country not to cross its hands, but what can a small civilian force do against the United States, the premier power in the world, unquote [no opening quote as heard].

Others wonder if only those Haitians who are training are the sons of the country. [passage omitted].

Last week, the Army officers told reporters that a group called the group of patriotic resistance is training in order to defend the country in case of military intervention. According to the officer, the group will not be permanent. The officer called it a group arising out of the current circumstances. [end recording]

Writer Warns U.S. Invasion 'Waste of Time'

FL1008010194 Port-au-Prince Signal FM Radio in French 1030 GMT 9 Aug 94

[Text] According to Haitian writer and journalist Gerard Etienne, an invasion of Haiti by the United States would only be a waste of time. The Haitian people know all the

ins and outs of the city, while the Americans might be caught there for 10 years. Etienne stated that this measure would not solve the 190-year-old crisis and added that Haiti has experienced shortages in the past.

Etienne, who is the author of a recent study on the Haitian situation, pointed out that the embargo has reduced the normal activity levels of this Caribbean country but rejected the idea of a complete paralysis.

Etienne added: Let us take Dajabon, for example. Dajabon is a city located in the Northwestern region of the Dominican Republic, near Ouanaminthe; it leaves its border open to its neighbors, and it is easy to understand why. Mr. Etienne pointed out that the Dominican Church and Bishops have rejected the restrictive measures against Haiti. Gas, soap, and oils are getting through the border everyday in spite of the embargo.

Furthermore, Etienne pointed out that U.S. Senator Robert Dole has many enterprises in the Dominican Republic and voted against the sanctions. He recalled that Venezuela, Brazil, and China do not agree with the United State's policy. He even went so far as to say that President Bill Clinton would possibly be affected by this episode of his term. The Haitian writer stated that, just as in Somalia, a human resistance would be organized.

Etienne stated that Clinton has alienated himself with his stubbornness and obsessional neurosis and asked: Why an invasion? Why invade Haiti to remove Raoul Cedras, (Philippe Biamby), and Michel Francois when Cedras' mandate is to end in October?

Etienne concluded by saying that it was the first time that the president of that powerful nation went against Congress, the people, the CIA, the Republican Senators, and some Democrats. An invasion would result in a diplomatic, political, and financial tragedy. Gerard Etienne, who currently lives abroad, said that Clinton is risking his reelection as president.

Episcopal Conference Condemns UN Resolution

FL0908140194 Port-au-Prince Radio Metropole in French 1600 GMT 8 Aug 94

[Text] The Haitian Episcopal Conference, in a message dated 6 August and sent to our editorial room, condemns UN Resolution 940 of the Security Council authorizing a possible armed intervention in Haiti. This decision makes us tremble with indignation, recalling the horrors of the American occupation in 1915, write the Haitian bishops. They consider that the process leading to Resolution 940 was marred by irregularities. The adoption of this resolution is scandalous and immoral, according to the Episcopal Conference, which implores the leaders of the nations not to attempt an intervention in Haiti.

In its pastoral message, the Haitian Episcopal Conference calls on the Haitian people to search for the paths of unity. We insistently call on the people, the families, and

the religious communities to gather in order to pray and contemplate together. The bishops encourage the people to pray under all circumstances. Pray incessantly, stay firm in the faith.

It should be noted that the Episcopal Conference called for three days of prayer and fasting on the occasion of the feast for Our Lady of the Assumption. The conference of bishops called on parishes, chapels, religious communities, the monasteries, and prayer groups to hold a Marian Tridium from 12 to 14 August.

CCIH Criticizes U.S. Government's Executive Order

FL0908231404 Port-au-Prince Signal FM Radio in French 1030 GMT 9 Aug 94

[Text] The Haitian Chamber of Commerce [and Industry] [CCIH] has energetically protested the U.S. Government's decision to [words indistinct]. The CCIH informed the national and International Red Cross, WHO, UNICEF, the Haitian Diabetes Association, and the American Diabetes Association of this scandalous attitude toward sick people, the objectives of which are obvious. This resolution, Executive Order 12992 of 21 June, involves 90 companies and 24 persons listed in the order's General Notice No. 9 which targets businesses and products that are distributed through the quota system.

The CCIH communique adds that, this measure only harms infants and children, and those who are sick. The communique goes on to point out that among the 90 companies are two, a producer of pharmaceutical goods and a division of Eli Lilly and Company, which will now be unable to trade with the United States.

Eli Lilly and Company is the main supplier of insulin in Haiti, and the recent decision signed by the President of

the United States and distributed on the spot threatens the lives of all diabetics in this country unless it is revoked immediately.

The note adds that the CCIH plans to question the criterion used in selecting the companies listed on General Notice No. 9.

Prime Minister: U.S. Boats To Help Fight Drugs

FL0908173694 Castries HTS Caribvision Television in English 1945 GMT 8 Aug 94

[From the "Caribbean Evening News" program]

[Text] The Trinidad Government has accepted another offer of high-speed boats from the U.S. Customs authority. This disclosure came from Trinidad and Tobago's Prime Minister Patrick Manning. Mr. Manning was speaking in Chaguanas at the prize-giving ceremony for the annual great race. Mr. Manning said acceptance of the vessels represents yet another step forward in the fight against crime in Trinidad and Tobago.

[Begin Manning recording] Effectively they are mother ships, and there are four boats associated with each of those ships that have the capability of very high speed. The boats are going to be manned by the Coast Guard, but under the direction of the Trinidad and Tobago customs authorities. And that action constitutes yet another step, a very important step, in the unrelenting war that we are becoming to wage against drugs and the drug trade.

We all know that an integral part of the drug trade is the use of arms and ammunition, and therefore even for those—and it is the few rather than the many—but those who are not involved in that trade are affected by it to the extent that the entire country is affected, and it reduces the levels of security to which we are exposed. [end recording]

Zedillo Speech on Politics, Democracy

PA0908020394 Mexico City LA JORNADA (PERFIL Supplement) in Spanish 5 Aug pp 1-4

[Speech by Ernesto Zedillo Ponce de Leon, presidential candidate of the Institutional Revolutionary Party, PRI, at the National Democratic Forum at party headquarters in Mexico City on 4 August]

[Text] This is the time for democracy.

This is the time to fulfill the democratic aspirations of the Mexican people. Today's political agenda comprises electoral rules; the *de jure* state; the separation of power and the distribution of responsibilities between the executive, legislative, and judicial branches; the federal, state, and municipal government systems; the participation of the citizens; information; and the existence of pluralism in the party system. All of this requires a consensus capable of building a road for tomorrow's policies.

Our party has always known how to respond to the most pressing demands of the Mexican people. Our party produced the stability necessary to build modern Mexico, mobilized and integrated large popular forces to give vitality to our nationalism, encouraged industrialization efforts, and, more recently, put on the right track the aspiration for broad and profound transformations necessary to confront the challenges of a new century. This is why we affirm that changes are already in motion and that we must continue spurring them on.

The people are pressing for progress in democracy and for the reaffirmation of the *de jure* state, legality, pluralism, and the development of social participation.

This is why this is the time for democracy in Mexico, and the Institutional Revolutionary Party [PRI] is contributing to it. It is contributing with a new democratic vocation and firm determination so that this can also be the time for PRI.

This is the time for democracy, and this is why this is the time for electoral legality.

The electoral reforms that were started in 1988 have established the foundation for turning the forthcoming elections into a source of confidence and stability. All of the reforms have been based on consensus. What has been achieved has shown how much can be done when there is the will to talk and to reach political agreements.

Now Mexico has professional and impartial electoral bodies, more room for political representation, a strengthened electoral-justice system, norms that guarantee equitable competition among the parties, technically-reliable electoral instruments, and an electoral organization that requires broad citizen participation.

No party can claim all of the credit for the changes that have occurred. This has been a joint effort, and all of the parties have supplied ideas and proposals. Neither did

all of the proposals come from PRI nor did all of the changes benefit the PRI, and this is true for all parties. The main point is that nowadays we have rules that contribute to electoral honesty and fairness. The PRI will strictly abide by and comply with these rules.

The PRI people know that democracy is built on agreements and on the convergence of diverse positions. This is why I reaffirm our decision to keep our statutes open to ideas that may enrich them.

Since this is the first time that norms on matters such as the financing of parties, campaign expenditures, and access to the media are implemented, they should be analyzed and based on the experience acquired throughout the current electoral process. The way of institutionalizing the autonomy of our electoral bodies should also be analyzed through the participation of all parties.

We at the PRI will maintain a positive position that will make it possible for us to continue securing the necessary party consensus to improve our electoral processes.

At present, obeying electoral regulations is the best guarantee for consolidating our democracy. The strict observance of these regulations is our only choice to construct a country in which legality is the usual behavior of parties and the people.

One of our greatest challenges is transforming the great progress in electoral matters into a firm culture of legality—a culture in which adherence to legality can be the unmistakable source of political trustworthiness.

This is the time for democracy, and it demands a strong state of law. The state of law is essentially based on the idea that the exercise of one's own rights demands respecting other people's rights, that rights entail duties, that the law binds everyone, and that no one stands above the law. The *de jure* state binds the leaders and the governed alike.

It is essential for the Constitution and the legal order derived from the Constitution to be fulfilled completely. This is one of public power's fundamental functions. Authorities must abide by the law. Rights must be recognized and disagreements must be settled according to our institutions.

We cannot base our expectations on the certainty of law and live in the uncertainty of its obedience. The Mexican people demand that the law be the undisputed standard for coexistence.

It should be possible to attend to and resolve every social or political cause within the framework of the *de jure* state. Obedience to the law, dialogue, and consensus are the democratic means to settle our disagreements and combine our efforts. I reject violence, because it contradicts the significance of our progress and, by definition, is excluding, intolerant, despotic, and arbitrary.

In present day Mexico, arms are not necessary to back arguments and demands. Legality, pluralism, and participation make violence unnecessary. Each person's legitimate interests can be defended without resorting to intimidation to be heard.

We, the Mexican people, do not want open agendas but, rather, shared agendas. Every time the law is transgressed, every time personal interests prevail at the expense of general interests, and every time violence triumphs, we undermine our democratic coexistence.

Everyone's arguments and reasons should be heard, and ways of expression and accord should be sought because we are an open society that wants to live in peace and harmony so our efforts bear fruit.

For this, it is essential that we live in a *de jure* state.

This is the time for democracy, which demands strengthening the division of powers.

As the state's supreme standard, the Constitution regulates power and democracy in such a way that the people become the source of legitimacy and the object of state order. For this reason, the Constitution stipulates the people's inalienable right to exercise sovereignty. In other words, the Constitution gives the Mexican people the right to decide by themselves who can govern them and how.

As an essential principle, the political order established by the Constitution organizes power in harmony with the principle of national sovereignty, and it makes the exercise of such sovereignty legal on the condition that the people openly submit themselves to the rule of law.

The principle of national sovereignty demands that the power exercised by the various state branches be limited. The principle of shared power is a fundamental part of our constitutional state. When power is shared, no state branch can claim all of the authority, and the various branches will limit and control one another.

To preserve unity and national sovereignty, the 1917 Constitution opted for the republican and presidential system. The challenge to construct a democratic system capable of keeping the Mexican people united, stimulating growth, and establishing social reforms for the people's welfare demanded the creation of a strong executive with clear decisionmaking capabilities.

The resulting political system restored peace, normalized civilian life, unified the country, introduced social reforms, and stimulated the country's development. The federal executive has been an efficient instrument for these changes.

A new reality has emerged—the existence of a complex, alert, and participating society; an informed and demanding people; and diverse geographic and social situations. The potential of regions and cities has increased. The persistence of backwardness and inequalities demands legality, participation, and recognition of

plurality. These realities and demands require a capable presidency, but one with limited power.

If the majority of the people elect me president of the Republic, I will hold the post in strict obedience to the law. In addition, the executive will deliberately and systematically listen to and gather the proposals of the various public branches and government institutions for a better distribution of functions.

The presidency serves a juridical function that starts and is exercised under the explicit conditions of the law. Its objective consists of fully performing the functions and meeting the responsibilities that the Constitution confers on the Mexican executive. With the vote of the majority, my unmistakable commitment consists of performing only the functions that the Constitution attributes to the president of the Republic.

In a brief but intensive campaign throughout our territory, I listened to the people's demands and needs. A campaign like this is possible only through the power of PRI—my party and the party present here.

During my personal contact through the media with close to 1 million Mexicans, I have proposed lines of action defining, not only what to do, but how and what for. As a result, my mandate will not be ambiguous. It will be the Mexican people's mandate. I will perform it fully and faithfully, supported by the work of the best Mexican men and women who share this commitment.

The president of the Republic does not receive a party mandate; he governs for all. I will perform the post's functions in permanent communication with political parties, and I will do this through dialogue to reach a consensus, through agreements to reaffirm them, and through unity to strengthen Mexico. I intend to fully carry out the post's political functions, encourage pluralism and civility, make people work together and prevent confrontations, better display pluralism in our practices, and help the people resolve their disputes in unity. I will respect the right to dissent and will fulfill agreements.

Legality, pluralism, and the people's and society's participation will be my government's basic principles. It is my purpose to turn the government into an orderly and serious instrument for fulfilling its functions and to turn the public administration into a professional, efficient, and capable system that is worthy, honest, and guided by a firm commitment to serve.

Relations between the executive and legislative branches are based on strict respect for their autonomy. The plural composition of the Chamber of Deputies and Senate represents a fundamental factor for these bodies' political independence.

The executive branch should not only support the decisions of the legislative branch but must also work respectfully and jointly with Congress. Among other measures, I will support proposals to strengthen the

Chamber of Deputies Auditing Office to supervise the budgets of the federal executive branch more effectively and expand Senate powers requesting information from executive branch agencies, as well as the Senate's right to voice opinions and make recommendations on the work of the federal government.

It is advisable to create permanent mechanisms to exchange information between the Chamber and the Senate, as well as between these chambers and the agencies of the federal government, in order to create better conditions for legislative work.

The executive branch and Congress must agree on a minimum legislative agenda for the sessions to program and schedule the study, discussion, amendment, and approval of bills sent by the executive branch with sufficient time and facts to formulate an opinion.

The strengthening of the legislative branch is essentially the responsibility of the chambers that comprise it. The executive branch must fully respect the measures and actions taken by the legislative branch and must support the provisions that will guarantee the balance of powers. I will fulfill and honor this commitment.

Democracy demands clear and just rules with which citizens can live, plan, and organize their life in society. It also demands that any violation of these rules be punished and thereby demands the need for an effective system to administer justice to guarantee Mexico's democratic life. The jurisdictional mechanisms to punish the abuse of power must be extremely effective. A democratic system demands that public servants be legally responsible when they act arbitrarily—in other words, when they violate the law.

I want to reiterate here today my commitment to promote a thorough reform of the justice system. It will be a reform that will guarantee the independence of the judicial branch, establish effective mechanisms to control the exercise of authority, improve the quality of justice, create systems for appointments and promotions, update the training of judicial officials to modernize operational structures and the work of the judicial system, simplify procedural laws, and guarantee speedy trials. It also will improve information, legal consultation, and the public defense system to make justice accessible to everybody.

An autonomous and stronger judicial branch will guarantee the effectiveness of our Constitution and will extol our *de jure* system, which is an essential condition for democracy.

This is the time for democracy and, therefore, the time for a new federalism.

Federalism is not an administrative record. It is not a simple method of administration to strengthen the states and the municipalities to prevent centralization. It is much more than that. It is a basic political agreement to

distribute power and recognize autonomy and competence. Federalism is a democratic method in which autonomous communities take control of the government in areas of their competence; its objective is to detonate the dynamic potential of the communities to face their own problems.

The federalization of education is an example of the conditions and extent of the new federalism. Following an agreement between the federal and state governments and the National Union of Education Workers, a structural change occurred in the educational service based on the transfer of authority and resources and the people's participation.

I now propose similar movements in other areas at the municipal level to allow communities to become decisive players in the promotion of their own interests. At the state level, I propose that each state fully increase the autonomy that the Constitution has given them.

Resources and funds received by states and municipalities must be increased in coming years in accordance with the tax revenues collected by the public sector.

The new Mexican fiscal federalism must be aimed at strengthening fairness through instruments that will guarantee the destination of resources for investment projects to encourage more balanced development throughout the nation.

I propose making the necessary legal changes so that municipalities will have greater autonomy in tax collection duties and in establishing formulas to guarantee the direct delivery of federal funds to the municipalities. This must be complemented with greater municipal responsibility and the decentralization of duties and expenses currently in the hands of the federal government. In turn, investment and public spending will better reflect the interests and priorities of each community.

The commitment to renew federalism makes complete sense through the promotion of the municipality, because it is the government that is most familiar with the daily needs of the population. Political participation and social action take on a specific meaning in the municipality.

The concept of the free municipality has been strengthened by amendments to Article 115 of the Constitution. However, much needs to be done to consolidate the municipality as the privileged realm for political participation and the search for solutions to social demands. We must increase the instruments by which communities can define the social programs that are priority for the municipal government and can have the required decisionmaking and implementation power. The cooperation of town councils and the participation of citizens are assets in achieving this free municipality concept.

Municipalities with greater freedom and autonomy will be sources of creativity and new initiatives. Municipalities with greater public responsibilities will be sources for

better governments. Municipalities with greater resources and a broader administrative capacities will be the source for better living in all communities throughout the nation.

This is the time for democracy and, therefore, the time for citizen participation.

A country's democratic progress is always linked to citizen participation. The participation of society in the demand for more freedom to voice an opinion and for public action leads to agreements and more representative institutions.

Mexican society is developing new forms of action, giving greater attention to public matters, and willing to assume greater responsibility. Its organizations are increasing their representation and have the power to promote collective actions for the benefit of the community.

Social organizations are expanding their role in society—a society that is sharing responsibilities with the state. Its pluralism becomes evident in areas as diverse as care for the handicapped, environmental protection, the protection of human rights, and community development.

A democratic government views the diverse and organized participation of its citizens as essential in the decisionmaking process. In turn, society and its organizations can take part in the formulation, implementation, and evaluation of public policies, as well as in the control of the performance of public servants. An increase in the number of consultative bodies, which include social leaders, professionals, and experts at the municipal, state, and national levels, will be a priority.

One of the first commitments I acquired when I was nominated by my party was to build new relations between the government and society—more open and fluid relations based on mutual respect and on shared responsibilities. My commitment with a democratic government—a better government—involves a permanent dialogue with social organizations and with the citizens.

In recent years, Mexicans began a profound state reform that opened more channels for social initiative and for the citizens' expressions. Now, we know that the best way to face collective problems is by joining efforts. The multiplication of social organizations and popular movements is a clear reflection of our society's pluralistic vitality and its capacity to become united for the most diverse public causes.

With regard to nongovernment organizations, we must make an effort to promote the ideal framework for their autonomous operation, their development, and support.

The civic value of the citizens' participation strengthens democracy. Participation and shared responsibility are vital for democratic policy. They must be taught to children and young people.

The General Law on Education includes a specific provision urging the media to help in the effort to reach the

goals of the country's educational system by promoting, among others, the knowledge and operation of democracy as a form of government and coexistence, the value of justice, the respect for the law, and the respect for human rights.

Democratic power and citizens' participation demand a key resource—namely, information. Democracy is inconceivable without freedom of expression and freedom of the press. The Constitution recognizes the inviolability of the freedom to write and publish what is written. It prohibits censorship. It is my firm commitment to respect these basic freedoms for democracy. I am convinced that a democratic, participative, and responsible government—a government devoted to serving—needs the intense circulation of ideas and information.

In the democratic society that we, the Mexican people, want, government measures should be implemented in such a way that the public can have easy access to them. In this sense, I propose to give autonomy to the institutions and agencies whose job it is to produce public information of national interest, particularly INEGI [National Institute of Geography, Statistics, and Data Processing], to consolidate the efficiency, timeliness, objectivity, and impartiality of its data and studies.

This is the time for democracy. Its future hinges on the strength of the parties and their ability to represent the growing social plurality, come together, and express the various interests and turn them into programmatic and ideological proposals that can compete for the people's vote in order to establish representative governments.

Parties are the political link par excellence between voters and their governments. Parties are the answer to the challenge of creating governments that respond to the interests of today's complex societies. Without political parties, it is impossible to strengthen democracy. Today, there are no democratic governments other than those of a representative nature, and there is no better political representation other than that based on parties.

It is necessary to ensure that the parties fully enjoy all of the required legal rights and prerogatives and that the parties remain at the center of the political debate. In a modern democracy, it is impossible and undesirable to attain fundamental political agreements without parties.

At the end of the elections, political life continues and is entering a new stage. The winning party receives a clear mandate from the people, but the other parties do not lose their essential functions; they do not fall into an abyss. The campaign is left behind. All of the parties can fully participate in a new stage of dialogue, convergence, and national unity.

Post-electoral political life should not lose its intensity or vigor. In the Congress, the various factions represent the programs and interests that brought them into political representation.

In turn, the citizens who attain political power are responsible for fulfilling the mandate they received. Nevertheless, they govern for all, not only their fellow party members. They are responsible for governing in accordance with the law, doing so equitably and without exclusiveness. For this reason, I hereby reiterate that I aspire to become president of and for all Mexicans without any exceptions. I understand the vote is a mandate and a mandatory political responsibility.

The electoral campaign is not a war. The political parties are not enemies of one another. The electoral process is a contest between contenders who compete for the voters' preferences. During my campaign, I invited all of the candidates to hold bilateral dialogues which, without ignoring our differences of opinion, can make it possible for us to identify and clarify our points of disagreement, particularly regarding national unity, democracy, and pluralism. In this final stage of the campaign, I am inviting all of the candidates so, once the elections have ended, we can meet with this purpose in mind, a purpose which is still valid.

Political parties represent political forces that stand for the national will. The parties' interests and proposals should be known and recognized by the government. If party life is to be consistent with democracy, and if the party's strength is to make democracy stronger, then it is essential to nourish democratic progress with the parties' participation and, via this progress, attain a basic consensus.

I intend to coexist, listen to, and work, in a respectful and honest relationship with all parties and political organizations. No single party represents the nation fully. Mexico does not have or want a single-party system. Our freedom is based on the freedom to dissent, disagree, and responsibly defend diverse interests and values. Our pluralistic society is the basis for a multi-party system.

This is the time for democracy, and, because of this, it is also the time for PRI.

The PRI has been and continues to be a fundamental pillar of political stability. The party's integrating power, commitment to society, its ideas and programs, and the responsibility with which its men and women have met the challenge for a change have been key factors in the consolidation of modern Mexico.

The PRI's ability to adapt itself to the country's changing social and political conditions explains its continuous electoral power. Starting out as a group with regional political interests, the PRI became a party for the mobilization of the great popular forces. Later, the party became a political organization nourished by various forces and horizontal structures—an organization committed to fostering national development and stimulating pluralistic representation. In view of the growing electoral pluralism, the PRI has initiated a new adaptation process that made it possible for it to continue to be the party of the majority.

Today, the PRI is ready to continue with the change and face the challenge of pluralism with confidence and determination. The proper path was set by Luis Donaldo Colosio, who led the organization to become the party of democracy and political stability. During the PRI's 14th National Assembly, Colosio said: "We have bet on reform, because we know we cannot propose to stay in power without changes that meet the new demands of society."

A democracy without the PRI, as some have proposed, would be a weak democracy. Without the articulating force of the center, which the PRI represents, polarization would split the country into irreconcilable factions. Without the PRI's national presence, the nation's unity would fragment into regions. Without the PRI's policy of tolerance, flexibility, reconciliation, and realism, extremism and division would become stronger. Because of this, a stronger democracy must be considered in terms of making the PRI stronger.

The modern and stronger PRI we have in mind is an autonomous party that is separate from the government and special interests. It represents the aspirations of its active members whose interests the party promotes and effectively defends.

It is a dynamic party that acknowledges and integrates new forces as well as challenges new situations. It is a party that is transforming in order to respond to and heed the calls for internal democratization. It is an honest and spotless party, capable of competing with other parties under conditions of evenness.

We are the government party, and as such we seek to continue being the government party with the people's support. As the party in power, we identify with the government's programs, ideologies, and reforms. As the party in power, we are the first to insist the government honor our programs. In no way do our identification or demands mean, however, we are dependent on the government. I intend to give an account, for this reason, to my party for the completion of our political platform and our programs if elected president of the republic by majority vote. I hope to become the president of all Mexicans and I will be held accountable to all of them for the way I exercise power and for the representation with which they entrusted me.

I firmly believe democracy demands a wise distance between the party and the government. The Constitution clearly identifies the arena that corresponds to each. My commitment will be to maintain the distance that must clearly separate us. I have already said it and would like to reiterate it today: The PRI does not want a state that takes possession of the party, nor do we want a party that takes possession of the state. That is why I would like to, as a PRI member, contribute to encourage internal reforms of my party. I would like to do so prior to 1 December, because I will be a passive PRI member as of that date.

You have my unbreakable commitment not to intervene whatsoever in the internal life of the party. The time is right for us to commit ourselves, prior to 1 December, to defining the agenda of the internal transformations we will be undertaking. Once this agenda has been defined, I will propose we carry out throughout the first half of next year a democratic process of internal transformation, which will be implemented during the election process scheduled for the second half of 1995.

I believe the following issues should be included on the agenda and be discussed: The candidate selection process is a critical issue. Within the framework of electoral competition, we need to nominate as candidates the best men and women in Mexico. As an organization that freely gathers active membership, we require that an evaluation be carried out only within the PRI by PRI members. It should never take place outside the party or apart from its active membership.

I recommend a precise formulation of the selection guidelines for candidates that respond to the aspirations of our grass roots; in other words, these guidelines should be openly democratic. It is essential that these guidelines be explicit and be a guarantee for all PRI members, and that the selection criteria used to evaluate our membership and party loyalty be known both inside and outside the party.

It is essential to accredit our political offer and the rigorous application of our criteria before the society we represent. For my part, as a PRI member, I can recommend today, but only today and not after 1 December, that we encourage the democratic selection of our candidates and leadership via internal elections or representative conventions.

I want to be emphatic in my commitment as the president I aspire to be of all Mexicans. I am determined, absolutely determined, not to interfere in any way in the selection process of PRI candidates for any elected public posts.

Concerning issues of finance, a profound change has taken place in our party during this campaign. The PRI has agreed with the other parties to implement new electoral standards for equal competition and openness on the issue of the origin of campaign funds. We have accepted and are respecting the ceilings. We have placed the responsibility on the party's capability to convene and its talent to collect funds. We have assumed, by our own decision, the responsibility of publishing periodic financial statements.

These changes establish durable precedents and constitute one of the most noteworthy achievements in this campaign. We are able to come before the people to present the PRI's budget programs, disclosing the manner of how and what amounts are disbursed to each activity of our party.

I have invited the PRI members on many occasions—and again today I am reissuing this invitation—to engage

in scrupulously legal electoral conduct. This commitment is a political, ethical, and republican one, a conviction that includes everyone—the rank and file, leaders, representatives at the voting tables and in the electoral institutions, candidates for elected public posts, and sympathizers. I respectfully and yet firmly call on all PRI members to exert their best effort in order that the 21 August elections will be flawless.

Rigorously observed legality is our best defense. I have proposed that our party's Commission of Honor and Justice spearhead this effort—that is, to summon all of the militants to be on the alert, closely follow the electoral process, and report irregularities or illegal actions. I propose the commission investigate the facts. If the authors of illegalities are PRI members, they should be punished and reported.

I also propose that the commission request the National Executive Committee report the facts when it has been determined that the law has been broken and that those responsible are not from our party. We must be especially alert about illegal actions committed by non-PRI members who want such actions to be blamed on our party.

With a modern, independent, and fighting party, we will strengthen our democracy with political opportunities and dialogue. This is the time for democracy, the reason why it is time to make commitments.

As a candidate for president of the republic, I am making a commitment to political ethics. I will respond to the convictions expressed herein. A speech is a tool of politics; it is also a means to win, to give trust, and to be called on to respond if the intentions do not correspond with actions. I express before you my democratic commitment, and I invite you to demand this of me.

Party comrades, the 21 August elections are considered a significant democratic platform of society and the nation. When the PRI was the only political force capable of winning government positions, the elections also meant prominence and near domination by one party. We are living in a pluralistic society, as is expressed by political representation; therefore, the elections have another meaning. They do not exclude, nor can they exclude, any political force. The nation is enriched today by a plurality that is worthy of Mexico.

These elections are not the destruction of political forces. These elections will strengthen our party system. The 21 August elections are the natural step toward culminating the broad process of democratic transformation on the threshold of the 21st century, a process the government should guide with the participation of the union's powers, the states and municipalities, the parties, the social organizations, the media, and all citizens. This process is one that should be encouraged by a broad policy of agreements and consensus on the contents, the instruments, and the time of each reform.

The commitments I have presented are part of an agenda that will enrich all Mexicans. There is room in this agenda for all proposals that are honest and made in good faith. We have a starting point that is an open proposal in which the issues demanded by society are given consideration. We offer avenues for a consensus that will guarantee a response claimed by the democratic vocation of Mexicans.

I am committed to demonstrating that there are solutions and that the PRI has the best solutions. I am also bent, however, on broadening the dialogue with the parties and society. We will demonstrate that dialogue and agreements are fruitful and that violence, confrontation, and rancor are not. We will demonstrate that violence is always the fruit of discord. We will demonstrate that democracy is, given its very essence, the seed of harmony.

We are at the hour of the democratic call in Mexico. We will work courageously without having more gaps. We will work decisively without excluding anyone. We will work with full respect for our diversity and pluralism while promoting the main principle of uniting the nation.

Democracy cannot and must not be an excuse to divide us. On the contrary, democracy must become the path on which we all will converge without sacrificing our differences. We are part of a country that is getting rich on the heterogeneity of its cultural roots, its political pluralism, and its social diversity. This point is why we will promote the participation of every sector. Our desire is for each one of us to be able to speak and be taken into account and that each one of us will identify himself with our democracy.

I believe democracy is not only a method to organize a government but also a privileged path by which our society will accurately demonstrate its potential to ensure creativity and will take on the social characterization of a shared effort. This point is why, in addition to promoting a political democracy, I am fully determined to meet the demands of the democratic culture that is taking root within Mexican society.

We all must contribute to consolidating this democracy, because it fosters a culture of unity, peace talks, and true progress. I am convinced we, the Mexican people, will be able to achieve the democracy for which we are striving. I am sure if we keep the paths open and if we are capable of making reforms and achieving consensus on the path to follow, we will reach profound agreements that will fulfill the Mexican people's call for democracy.

I pledge to head a government that will make democracy a routine practice and aspiration, a democracy inspired by ideals and actions, a democracy that will strengthen the ties between government and society, a democracy of facts that will guarantee a coexistence of freedom and create the conditions to fight poverty, promote economic

progress, create jobs, increase salaries, and meet our common aspirations of wellbeing and justice.

This democracy is the one we want. This is the democracy to which I am committing myself. We will fight, vote, and succeed for this democracy on 21 August. This is the democracy the PRI wants and Mexicans demand. This is the democracy we will consolidate to ensure we will reach the new century together to honor our history and forge the future our children deserve. This is the time for democracy, and this is also the time for our party—the time for the PRI.

We, the PRI members, as usual, are present during these times, evoking unity, republican discipline, and political conviction.

Long live the PRI! Viva Mexico!

PAN Candidate Favors Foreign Capital in Oil Industry

PA0908142894 Mexico City NOTIMEX in Spanish
0254 GMT 8 Aug 94

[Text] Mexico City, 7 Aug (NOTIMEX)—Diego Fernandez de Cevallos, presidential candidate of the conservative National Action Party (PAN), has said he would favor foreign investment in the oil sector as long as it is under the control of and for the benefit of Mexicans.

In an interview with NOTIMEX, Fernandez de Cevallos said that "I do not think" the incorporation of foreign capital into the tapping, processing, and shipment of Mexican hydrocarbons "is immoral or perverse."

He added that petroleum sales are not regulated because of "sluggish and outdated" nationalism and criticized the operations of the state enterprise Mexican Petroleum (Pemex), which he deemed obsolete, expensive, and corrupt.

"The interesting aspect is that in the overall design (of energy policies), Mexico will reap benefits through rational tapping and harnessing of this natural resource and through its refinement, preparation, and production of by-products," Fernandez pointed out.

The PAN leader maintained the objective is for the wealth to remain in Mexico, and, "insofar as this implies that only the state can completely manage the basic petrochemical industry, we do not care if there must be domestic and foreign investment."

As for the state's existing exclusive right to explore and drill for oil, the PAN candidate emphasized that "my opinion is that this right and the belief that control of the fields is a deeply-rooted Mexican prerogative are a myth."

He rejected the assumption that Mexicans are drilling, because foreign companies are drilling more. He insisted that what the oil men have been saying all along is a

myth, a lie, and a swindle, adding that "we must take care of two energy issues: first, to accurately estimate our reserves and second to use energy more rationally in the short and long term in order to further Mexican interests."

The politician also said we need a process to incorporate more capital, a process that will contribute to the virtual modernization of our oil infrastructure and to a commercial, investment, and technical modernization program. To this end, he pointed out, we need to use international and domestic capital.

In criticizing the oil industry's exploration efforts in 1938, when Lazaro Cardenas was president, he concluded that this exploration "had rather populist and deceitful connotations, because the United States promoted it."

Fernandez added: "The best proof of this is that oil was once taken away by foreign companies from The Netherlands, the United Kingdom, France, and the United States. Since the nationalization of the oil industry, it has been mainly the United States that has taken away our oil."

"Half a century later (following the nationalization), we concluded that we have sold more of our crude to the United States than to any other nation and that we have paid too much for refined products," he underscored.

After stressing that NAFTA could be "strictly" analyzed, he said: "I don't have any particular opinion, and I don't think there has been specific harm or loss."

"I don't think NAFTA is the word of God. If the Constitution itself some times requires additions, reforms, or changes, it would not be necessarily evil to think that rationalism demands modification," he asserted.

Army Reportedly Receives Weapons Shipment

PA0908133194 Mexico City LA JORNADA in Spanish
5 Aug 94 p 13

[Report by Luis Velasquez]

[Text] Veracruz, 4 Aug—Unofficial sources report that members of the Mexican Army will today begin unloading between 250 and 350 tons of weapons, including approximately 23 tanks with caterpillar tracks and long-range guns from the Russian-flag freighter Ulaanbaatar.

The Ulaanbaatar's cargo, coming from Spain, is consigned to the Transoceanica de Vapores, S.A. shipping agency. The unloading was assigned to the Operadora Portuaria del Golfo and was to be carried out at north dock No. 1.

The unloading was to be conducted under the supervision of approximately 25 members of the National Defense Secretariat. Army flatbed trailers with license

plates Nos. 1501340, 1501505, 1501503, and 3000506 will be used. This last trailer was seen carrying a tank.

A document from the Integral Port Authority (API) reports that the ship docked at the port of Veracruz yesterday at 0750 hours but that the unloading began early this morning. The Ulaanbaatar is scheduled to depart Saturday.

Six tanks were unloaded last night, but further unloading was suspended because of rain. It was confirmed today that the equipment was on the trailers ready to be transported by land, although its destination is not known.

The API report—formerly Puertos Mexicanos—which is responsible for the 174 meter ship, from bow to stern, describes on its shipping list a shipment of containers, pipes, and freight in general, weighing a total of between 3,000 and 4,000 tons.

Regular port workers did not participate in the unloading since this was done exclusively by military personnel.

It was learned unofficially that this is the second shipment of this kind received in less than a month. It was also learned that on 14 July 16 armored vehicles arrived at this port aboard the freighter Trushkavets. The unloading was carried out on the same north dock No. 1. It is believed that unloading will continue tonight between 2200 and 2300 hours.

Chiapas State Government Lists 'Commitments for Peace'

PA1008041494 Mexico City LA JORNADA in Spanish
8 Aug 94 p 59

[Statement issued by the Chiapas State Government; place and date not given: "Commitments for Peace in Chiapas"]

[Text] The Government of the State of Chiapas, with the support of the Federation, is carrying out the following activities, with the purpose of contributing to the strengthening of peace:

Reforms to the Electoral Law

The responsibility for preparing and conducting the electoral process has been placed in the hands of the citizens and the political parties. The powers of state will be tasked with providing support for the electoral organizations.

The creation of primarily Indian districts in Tenejapa and Chenalho.

The integration process of voting table members, comprising citizens residing in the area, has begun. They, along with the tallying officials, will be selected from the official voters list and from proposals presented by the political parties.

The number of single-candidate districts has been increased from 15 to 20. This implies a greater presence of deputies holding a relative majority in the State Congress. The number of multi-candidate districts has been increased from eight to 11.

Voting will be accomplished using signed ballots with control tabs.

The government will grant political parties financial and material assistance and offer special privileges. There will be a maximum expense ceiling.

An Electoral Tribunal will be created.

There will be penalties for electoral crimes, including imprisonment for those who do not respect the will of the people or those who engaged in wrongdoing during the campaign.

With the help of the Electoral Commission, the government will establish a computerized system to support the election process.

Guatemala

Defense Minister Reports on Weapons Cache

PA1008010194 Guatemala City Teleonce Television in Spanish 1900 GMT 8 Aug 94

[From the "Telepress" newscast]

[Text] Division General Mario Rene Enriquez Morales, defense minister, has said the warehouse where the seized weapons were stored belongs to a Mexican citizen, whose identity he disclosed:

[Begin Enriquez recording] They surrendered in order to state their direct and voluntary will to receive amnesty benefits, after disrupting order in various areas of the country and participating in such terrorist acts as blowing up bridges, downing high-tension wire pylons, carrying out sabotage, extortions at ranches, and kidnappings, among other crimes, for almost 12 years.

They turned in several caches of weapons to the corresponding authorities once they requested amnesty. In addition to the weapons we have here, 57 weapons were turned in.

This property, this house is registered under the name of a Mexican man named Jorge Palancar. The Mercedes Benz truck you can see, to which they were preparing to transfer the weapons, is a vehicle costing 85,000 quetzales, they told us, and 18,000 additional quetzales were used to equip it to hide and transfer the weapons. All these weapons were found here.

The corresponding judges and prosecutors from the Prosecutor General's Office were called and witnessed the removal of the weapons. The weapons cache includes 696 AK-47 rifles and 1 million rounds; 23 M-79 grenade launchers; 1,400 grenades; 11 RPG-7 Chinese-made rocket launchers; 300 rockets; six .57 caliber recoilless rifles; 300 grenades; 200 hand grenades; 200 pounds of explosives to blow up bridges and high-tension wire pylons; and this Mercedes Benz truck.

I will inform you of the truck's owner. The [word indistinct] company owns the truck, but the company's owner is Alvaro Benito Morales, a Nicaraguan citizen and naturalized Guatemalan. Morales owns the truck and has also requested amnesty by turning in the vehicle. He asked not to be presented to the media, but he is not only at the disposal of the judges who granted the amnesty; anyone is authorized to see him.

Messrs. ambassadors, military attaches, high commanders and subalterns, and media representatives, this finding, this military victory against the Guatemalan National Revolutionary Unity [URNG] does not please us. I tell you this in all honesty. It makes us feel apprehensive at times, because first, while we speak on their behalf in all sincerity, because that is what we have wanted, and on the government's behalf before the United Nations and supported by friendly countries, we

feel as though the URNG is trying to obtain more weapons to continue fighting. I hope this is not the case, because we have also thought—and we speak in all sincerity—they may have kept this arsenal found here with the purpose of turning it over to the United Nations once peace had been signed. Let us hope this assumption is the truth. We hope and want to believe it.

According to information we have received, there is a possibility the materiel was to be transported and used elsewhere. These war supplies could bring extensive bloodshed and mourning should they fall into the wrong hands, into irresponsible hands, into the hands of people who seek revenge, into untrained hands, without truly conscious and professional direction, no matter where they are used.

We believe this truck was to distribute the weaponry among the various URNG fronts; this is only another theory. There is still another theory: the possibility these supplies were to be taken over the border into some other country. [end recording]

Foreign Minister Declines WTO Nomination

PA0908132294 Guatemala City SIGLO VEINTIUNO in Spanish 8 Aug 94 p 3

[Text] Foreign Relations Minister Marithza Ruiz de Vielman has declined the nomination promoted by a German trade and industrial federation to chair the World Trade Organization (WTO), which will begin work in 1995.

The minister said she would send a thank you letter to Germany declining the proposal, because in addition to her current post's many obligations, the Guatemalan Government has already officially supported the candidate of a neighboring country, whom she did not identify.

In a letter sent by German businessman Bernd-Artin Wessels to German Minister Klaus Kinkel, Wessels asked his government to support Vielman and to officially notify her of the German petition.

It was noted that the foreign minister has displayed a comprehensive proficiency in foreign trade issues during her term as minister and played a good role as negotiator of Guatemalan banana issues.

The WTO was created after the GATT Uruguay Round agreement was signed this year in Marrakech, Morocco. This new institution is already being seen as GATT's successor in international trade management and arbitration issues.

Although it was not reported who Guatemala would support, sources close to the Foreign Ministry pointed out that chances are it is Mexican President Carlos Salinas de Gortari, who could chair the WTO upon leaving his current post.

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Nicaragua

Mexico To Deliver Aid To Alleviate Crop Damage

PA1008042894 Managua Radio Nicaragua Network in Spanish 1200 GMT 9 Aug 94

[From the "This Morning" newscast]

[Text] The Mexican Government will deliver emergency economic aid to Nicaraguan authorities in order to alleviate crop damage caused by the drought, announced Roberto Rondon Sacasa, agriculture and livestock minister, praising the help received from the Mexican Government.

The Mexican director of agriculture and livestock policy has said the aid will consist of 400 tons of sorghum seeds and approximately 200,000 quintales of fertilizers, for distribution among 45,000 families in rural areas.

Panama

Mulino Welcomes Readmission Into Rio Group

PA0908140294 Panama City LA PRENSA in Spanish 7 Aug 94 p 1A

[Report by Hermes Sucre Serrano]

[Text] Panama yesterday was readmitted unanimously into the Rio Group, a forum from which it was expelled in 1988 after Manuel Antonio Noriega deposed then-President Eric Arturo Delvalle. Foreign Relations Minister Jose Raul Mulino told LA PRENSA yesterday.

"It is very important for us that Panama be readmitted into this important Latin American forum, because it recognizes the democratic regime of Guillermo Endara," the foreign minister explained in a telephone interview.

The decision was made at a meeting of Rio Group foreign ministers in Santa Fe de Bogota for a meeting of Ibero-American foreign ministers.

Mulino said that Panama's return to the Rio Group is the result of efforts by President Guillermo Endara and the Foreign Ministry, under the leadership of Colombian Foreign Minister Noemi Sanin and the support of countries like Mexico and Venezuela.

The Colombian foreign minister took advantage of a regional diplomatic meeting held last year in Bolivia to endorse Panama's return to the organization. Nevertheless, Sanin's request did not come to fruition because of Mexico's opposition.

Panama was a founding member of the so-called Contadora Group (Mexico, Colombia, Venezuela, and Panama), which preceded the Rio Group.

The Contadora Group, comprised of foreign ministers of member countries, focused its efforts for several years on achieving a negotiated peace in Central America.

Deputy Foreign Minister Carlos Cordero said Panama's return to that Latin American forum strengthens Panama's international image and paves the way for cultural and economic exchanges with the continent's nations.

"We have received countless demonstrations of support from Rio Group member countries, both verbal and written, which fill us with joy," Cordero added.

Panama's chief foreign policy officials traveled to Colombia last Friday to participate in the inauguration of new President Ernesto Samper Pizano. The delegation, which will return tomorrow, Monday, includes Chief Justice Arturo Hoyos.

Jose Raul Mulino explained that the Rio Group represents the second most important political dialogue and consensus forum in America, after the OAS.

Mulino and his entourage reiterated that justice has been served in Panama's case, principally because it is a country that has struggled for over seven years to recoup full democracy.

According to the Panamanian delegates, the meeting with the Rio Group foreign ministers lasted approximately 45 minutes, because since the outset there was consensus to support the Panamanian diplomatic mission.

President-elect Ernesto Perez Balladares will participate in the next Rio Group summit, scheduled to take place next September in Brazil.

Endara Authorizes Copyright Law

PA1008023694 Panama City Telemetro Television Network in Spanish 1730 GMT 8 Aug 94

[From the "Telemetro Reports" newscast]

[Text] President Guillermo Endara today authorized the Copyright and Intellectual Property Rights Law [Ley de Derecho de Autor y Propiedad Intelectual]. He said this law, which has been criticized by radio broadcasters, is necessary for the country's prestige. He added that he is aware the copyright law has some structural flaws and therefore can be improved. Several groups oppose the law because they believe it endangers the stability of enterprises.

Security Spending Since 1990 Reaches \$500 Million

PA0908134494 Panama City EL SIGLO in Spanish 7 Aug 94 p 6

[Report by David Daniel Victoria]

[Text] The government of President Guillermo Endara has spent almost \$500 million since 1990 on public order and security expenses. This figure was released by the Comptroller General's Office.

According to the annual budget report issued by the comptroller general, these defense and security items

represent approximately 36 percent of total public spending for each annual budget.

The Public Force is included on the central government payroll. The number of employees has increased. Public security organizations have also increased their budgets every year.

The total public security budget during the first year of Endara's administration was \$74 million. The following year it was \$80 million. In 1991, it was \$91 million.

The total was \$85 million in 1992. In 1993, it rose to \$104 million. There was a \$9 million increase during those last two years alone. Public security will cost \$87 million this year.

Oswaldo Fernandez, director of the National Police, presented a draft budget totalling \$111.6 million to the National Assembly. A breakdown of this total shows \$92 million are for the National Police, \$3.7 million for the Panama Canal Police, \$9.1 million for the National Air Service, and \$6.5 million for the National Maritime Service.

The figures indicate that 90 percent of the public security budget goes to the National Police, which has argued that it has a 500-unit deficit.

The military regime that ruled for 21 years used \$105 million in its last few years. This was lower than the current government's figures.

The National Police has 12,500 people on its payroll who are only capable of covering 55 percent of the areas the police are supposed to secure. The force works three shifts per day, with 3,000 men on each shift.

The Ministry of Government and Justice purchased life insurance policies worth \$81,585.04 for its personnel.

The policy also covers the force's retirees, students at the Police Academy, and Detective School and Maritime Service trainees.

Arnulfist Party Not To Sign Ethics Agreement

*PA1008005394 Panama City LA PRENSA in Spanish
8 Aug 94 p 3*

[Report by Orlando Mendieta C.]

[Text] Irene Perurena, executive director of the Justice and Peace Commission, has expressed "surprise" at the withdrawal of the Arnulfist Party (PA) from the Consultative Committee, which is now drafting an ethical-political agreement that will guide the actions of political organizations over the next few years.

Perurena's reaction came after the PA announced it will not participate in this agreement because it will firmly oppose the government of President-elect Ernesto Perez Balladares, and, therefore, it does not want to be tied by any document.

"We respect the PA's decision, because ethics agreements should be signed freely and voluntarily," Perurena said. She added, however, "We hope the party's leaders will change their position, considering the PA is the largest opposition party."

Perurena said the PA's decision to withdraw from the agreement was surprising because the party had recommended the drafting of an ethics agreement. Nevertheless, Perurena said the move should not be viewed as a setback for the commission, because the rest of the political parties, legally and uniformly, approve of the agreement.

She added that the Justice and Peace Commission still represents an opportunity for dialogue among political parties.

Argentina

Di Tella: 'No Troops' to Haiti; 2 Ships Offered

PY0908173994 Buenos Aires Radio Nacional Network
in Spanish 1600 GMT 9 Aug 94

[Text] Foreign Minister Guido Di Tella stated today that no troops would be sent to Haiti, but he did say that Argentina would cooperate with the UN blockade by sending two more vessels.

He also stated that Argentina could offer Haiti its cooperation in energy production and public water systems as soon as democracy is reestablished in that country with Jean Bertrand Aristide's reassumption of the presidency.

Regarding the sending of two more vessels to Haiti, the foreign minister indicated that the operation would be called "In Support of Democracy" [Sostenimiento de la Democracia], and he stated that the corvette Drummond would sail for Central America on 10 August.

He also stated that with the return of Ambassador Carlos Carrasco there are no more diplomatic representatives in Haiti, but he denied that bilateral relations would become complicated by this situation.

Judge Orders Arrest of 'Former Iranian Embassy Officials'

PY1008044194 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 0240 GMT 10 Aug 94

[Text] Buenos Aires, 9 Aug (NA)—Federal Judge Juan Jose Galeano tonight issued an arrest order at the national and international level for four Iranian citizens, former Iranian Embassy officials in Argentina, in view of their alleged involvement in the attack on the Argentine-Israeli Mutual Association [AMIA] building. He also submitted the pertinent proceedings to the Supreme Court so that it may establish the jurisdiction of the investigation.

The list naming the Iranians is included in the resolution [parte resolutive] of the court report, which is 164 pages long. Among those listed is Mohsen Rabbani, the Iranian Embassy cultural attache in Argentina, who was the main suspect among the Iranian diplomats who might have been involved in the attack.

Judge Juan Jose Galeano was able to prove, however, that by the end of 1993, Rabbani did visit the car rental companies located at 7285 and 7575 Juan B. Justo Avenue in Buenos Aires. At the time, Rabbani had shown interest in acquiring a Traffic van. The judge also noted that "there are photographs in the pre-trial inquest proving Rabbani's presence at the site."

Galeano found, however, that his capacity to question Rabbani "about his suspicious behavior" was "restricted" and that it will be up to the Supreme Court to decide in this regard.

Galeano finds "suggestive" the circumstances in which Rabbani "was accredited as an Iranian diplomat—and consequently enjoying diplomatic immunity—to the post of cultural attache on 30 March 1994, although he had been living in Argentina for many years as a religious representative without enjoying any legal privileges and residing in Buenos Aires since 1983."

Judge Galeano has issued an arrest order at the national and international level for the following Iranians: Ahmad Allameh Falsafi, Mahvash Monsef Ghokamreza, Akbar Parvaresch, and Abbas Zarkabi Khorasani.

Regarding the four former Iranian officials, Galeano said he based his decision to issue an arrest order on the testimony of "repentant" Motamer Munacher, who told the judge that if these people are in Argentina he should not allow them to leave the country because they were certainly involved in the attack.

Moreover, based on what was established in his report, Judge Galeano ordered the criminal proceedings and preventive arrest of Carlos Tellerdin, identified as the person who sold the Traffic van with which the terrorists perpetrated the attack on the AMIA building with an unspecified amount of ammal.

Tellerdin was involved in the crime of "concealment," illegal replacement of an engine, and forgery of a private document. In view of this, his assets were confiscated up to 100,000 pesos.

Galeano also ordered criminal proceedings against Ariel Nitzcaner and Marcelo Jouce for illegal replacement of a car engine. Nitzcaner and Jouce were reportedly in charge of reconditiOning the vehicle.

Despite having confiscated their assets up to 30,000 pesos each, the judge confirmed, nevertheless, the release of the first and the release on bail of the latter.

Further on Arrest Order

PY1008050494 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 0318 GMT 10 Aug 94

[Excerpt] Buenos Aires, 9 Aug (NA)—According to the investigations carried out by Federal Judge Juan Jose Galeano, four former Iranian diplomats against whom national and international arrest warrants were issued and at least three current officials could have planned the bloody attack against the Israeli-Argentine Mutual Association [AMIA] on 21 March [date as received] in this capital.

The Iranians whose arrest was requested by Galeano are Ahmad Allameh Falsafi (former third secretary of the Iranian Embassy in Buenos Aires), Mahvash Monsef Ghocamreza, Akbar Parvaresch, and Abbas Zarkabi Khorasani (former first secretary of the Iranian Embassy in Buenos Aires).

According to a list of names provided by the Iranian Embassy to the Argentine Foreign Ministry, one of them

is identified as Ahmad Reza Asghari, who "is the third secretary of the Iranian Embassy" and who was present in the country on the day of the attack against the Israeli Embassy and on 18 July, when the bomb exploded in the AMIA.

The same list sent by the embassy also mentions an individual whose last name is Zangeneh but who could be Gholamreza, who is the second trade attache in the embassy and who, according to the "repentant Iranian," had participated in "the meeting of 21 March in which they discussed carrying out an attack in Buenos Aires."

This is why Judge Galeano has sent the Supreme Court his report so that it can decide on his jurisdiction in the case considering there are individuals with diplomatic immunity who may be directly involved in the case.

As for the suspicions regarding the two embassy officials, Judge Galeano believes that "some procedural action must be taken against the two diplomats," but he cannot do so on account of "jurisdictional limitations" which he described in his report to the Supreme Court. [passage omitted]

Results of AMIA Bombing Inquest Highlighted

PY1008030794 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 0020 GMT 10 Aug 94

[Text] Buenos Aires, 9 Aug (NA)—In his investigation into the attack on the Argentine-Israeli Mutual Association [AMIA] headquarters, Judge Juan Jose Galeano held that four Iranian citizens must be summoned to testify in court and stated that in the event these citizens enjoy "diplomatic immunity," it will be incumbent upon the Supreme Court to determine what line of legal action should be followed.

The ruling that Judge Galeano is to submit to the Supreme Court includes a list of 83 fatalities in the attack and the causes of their deaths.

Galeano begins his ruling with a description of the state of the AMIA building after the attack. He points out that "its structures were visibly damaged, fractured, and floorboards that remained fastened at some point were coming off."

The judge goes on to say that the block of apartments located across the street from the AMIA headquarters was "totally damaged."

He then says that the vehicles damaged in the attack were taken to police precinct No. 5 for an expert's appraisal while "the injured were rushed to several hospitals in Buenos Aires."

The ruling disclosed by Galeano states that "the bodies and human remains found on the premises, and the ones that were recovered later, were sent to the judicial morgue."

In another paragraph, the judge underlines "the high degree of professionalism of the police and fire fighters," adding that the Israeli forces that came to Argentina's help "had to take direct orders from the court."

He also reveals that the U.S. agents who investigated the attack on the World Trade Center in New York "were also at the disposal of the undersigned as consultants."

At another point in his ruling, the judge enumerates all the institutions affected in the attack at great length and even mentions the floor, offices, and places where each of the activities were located in the AMIA building and the names of the chairmen, deputy chairmen, and secretary of those institutions.

With regard to the building security—one of the thorniest issues in the inquest on the attack—Judge Galeano's ruling notes that "the Argentine Federal Police had been in charge of" security outside the building "since 17 March 1992," when the Israeli Embassy in Buenos Aires was razed to the ground.

"Security guards under the command of a member of the Israeli Army known as Mister Muni, together with staff members from the Delegation of Argentine-Israeli Associations [DAIA], were in charge of security inside the building," the ruling says.

The judge gives a detailed account of the barriers that one had to go through in order to enter the destroyed building.

An interesting detail provided by the judge with regard to visual controls is that "visitors were controlled at every moment by means of two-way mirrors so that they could be seen without their becoming aware that they were observed."

The judge further stated that there was a "metal detector" installed at the AMIA headquarters.

The third chapter of the inquest deals with all the victims and includes a list of the names, surnames, and particulars of the victims and missing persons.

Further on Report

PY1008051594 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 0122 GMT 10 Aug 94

[Text] Buenos Aires, 9 Aug (NA)—Regarding the central issue in the introduction entitled "The investigation," Judge [Juan Jose Galeano] says: "All indications had a common denominator" linking the attack against the Israeli Embassy in 1992 with the "frustrated attack on the Israeli Embassy in Bangkok on 11 March of this year." With this remark the judge makes a revelation that was not known regarding the similarities between what happened at the Argentine-Israeli Mutual Association [AMIA] building and what took place in Thailand's capital.

The judge explains that the explosive used in the attack was "amonal," which is commercially used and sold and "which could possibly be placed inside a Traffic type van considering that the metallic remaining portion of a door was found in the surroundings."

The judge then makes a detailed report on the presence of a truck in the area, although it was later proven that the truck had been used between 0830 and 0845 on the same day.

Galeano then explains the detention at the Ezeiza Airport of two individuals who wanted to travel to Caracas.

Later the judge explains the reasons and the moment when they were released.

The document also mentions the detention of a Moroccan citizen and all the investigations and testimonies given by witnesses.

Galeano mentions, one by one, the testimonies given by different individuals such as the elevator operator, the systems analyst, and the maintenance and supply personnel.

In a different paragraph Galeano comments on the shockwave, saying that a witness "heard a double explosion and saw a wave-like movement dragging bystanders and vehicles."

In a different part of the document the judge mentions a series of witnesses who saw a Traffic type van at the site of the bombing.

The judge says that Maria Nicolasa Romero clearly saw a beige Traffic type van turning into Pasteur Street and moving toward Viamonte Street "very close to the sidewalk."

The judge says that Romero cannot link the explosion with the vehicle, although she does not remember seeing other vehicles in the area.

Other witnesses, such as Federico Valenzuela y Paiva and Ricardo Roberto Brown, confirmed the report on the Traffic type van.

Point four of the introduction refers to the arrests, saying that the first step in the investigation on the van was given by a document issued by employees of the car parking lot located at 952 Azcuenaga Street who "agreed to state that at 1800 on 15 July it was arranged for a Traffic van to park in the lot for five days."

The individual was told that the minimum was 15 days and the operation was closed for that period, but on 18 July the vehicle was no longer in the parking lot and no one had seen who had taken it." [quotation marks as received]

Further on the report says that the client presented a Federal Police identity card number 11509709, issued in the name of Carlos Martinez.

According to the judge, the witness "did not notice that the van was low, as happens when it is loaded, and its entry was rapid, skillful, and normal."

The report notes some "suspicious" attitudes by the man who parked the vehicle and contracted the parking.

The investigation continues with the finding of the van's engine, which is represented by the firm Messin, Inc.

The report here mentions for the first time the name of Carlos Alberto "Teccedin," who will later be indicted under the name Tellerdin.

The name of Carlos Alberto "Teccedin," who will thenceforth become the now-indicted Tellerdin, appears for the first time here.

The judge states that he ordered the arrest of a person identified as Carlos Alberto Tellerdin and two mechanics—Marcelo Fabian Jouce and Ariel Rodolfo Nitzcaner.

The judge then includes the contributions the Secretariat for State Intelligence [SIDE] made to the inquest concerning Iranian citizens interested in purchasing Traffic vans.

At the same time, he says that he "requested the SIDE to provide him with information about Iranian diplomats and couriers who had been to Argentina and the records and ideological structure of the Hizballah group."

"As a consequence of this, confidential records were received. Their assessment as well as the information submitted by the Foreign Ministry will be made at the appropriate time," the judge says.

Galeano then refers to his trip to Venezuela, noting that he traveled to Caracas to hear the testimony of Motamer Munacher, an Iranian citizen.

He recalls that "it was thus learned that he worked at the Iranian Ministry of Culture, where intelligence tasks as well as the control of the media and of diplomats in foreign countries were performed. He gave a detailed account of the terrorist training of minors by the government, which gave them books inciting them to kill infidels—including Israelis and people from the United States, and from countries with which these two have good relations—in order to get to heaven."

The "repentant" Iranian reports that he was instructed to fight against imperialism and Zionism, using weapons and explosives. He had been to Afghanistan, the PRC, Malaysia, Singapore, Lebanon, Syria, Sudan, and Saudi Arabia overseeing Iranian diplomatic officials while pretending to be a "tourist and friend."

The judge reports that "when asked about the attack that took place in Argentina, he said that some person at the Iranian Embassy received the order to perpetrate it, since the embassy is engaged in terrorist activities. It has enough money at its disposal to perpetrate attacks, and even counts on the support of Arabs and Muslims."

Galeano then includes a technical report on the explosives used in the attack, noting that the explosion at the AMIA headquarters generated a "sudden pressure change and depression in the surrounding environment, causing a displacement of everything in its path."

"The effect of this phenomenon indicates that it takes place at a speed of thousands of meters per second, generating a gaseous vacuum and decreasing in speed as distance from the epicenter of the explosion increases," he said.

After explaining about the chemical tests conducted to determine the sort of explosive used, the judge reached the following preliminary conclusions:

1. The vehicle used was a Renault Traffic compact van with a lateral door on the right side;
2. The vehicle approached the AMIA headquarters following the traffic flow along Pasteur Street. Near the AMIA entrance, it went up onto the sidewalk and parked at a 45 degree angle. The right side of the vehicle remained closer to the first column. This position produced a reaction of the explosive cargo;
3. It has been determined that the explosive material was inside the cargo compartment of the station wagon;
4. The explosive used was "amonal";
5. The firemen's report indicates the presence of a suicidal person or a "fool." This is to be understood as a person who is sent to die believing that after activating the explosive device he or she will be able to run to safety;
6. So far, the exact amount of explosive material used in the attack could not be determined.

Intelligence reports state that the Iranian strategy is to stimulate the strengthening of Islamic opposition to Israel and that, to this extent, it supports terrorist actions.

The reports make an examination of the Party of God, or Hizballah: "At the suggestion of the Iranian revolutionary sectors, the Hizballah was created in Lebanon in the 1980's. As a political movement, it gathers the Shi'ite community."

"This is the first example of an Iranian export of Islamic revolution. The party was officially recognized in 1982 and it unites under its flag a constellation of groups, associations, and intellectual circles that profess a fundamentalist and integrationist ideology of Iranian trend," the report states.

Later on, the judge explained that the Jihad has become one of the most violent organizations against the West, because in 1983 it started a series of attacks, using trucks loaded with explosives and driven by suicidal drivers, against French and U.S. military barracks.

The report then lists all the attacks conducted by the Jihad: Against the Marines barracks in October 1983; against the Foreign Legion in Lebanon in November 1983; against an Israeli detachment in the same month;

against the U.S. Embassy in Beirut in 1984; against Israeli troops in Lebanon in March 1985; against the Kuwaiti emir in May 1985; against the Israeli Embassy in Buenos Aires in March 1992; against the World Trade Center twin towers in New York in February 1993; and against the Israeli Embassy in Bangkok last March.

Further on, the judge established the analogy among the various attacks and mentioned the attack against the Israeli Embassy in Buenos Aires first. The judge said: "The fatal attack was conducted swiftly and did not allow the security system to react. Nothing called the attention of any passerby.

"When analyzing the terrorist action in Argentina, we found inevitable coincidences with that of the Israeli Embassy, the twin towers building, and Bangkok, which must necessarily be stressed because they are of vital importance for understanding the 18 July event on Pasteur Street," the judge said.

He also mentioned the use of medium-sized vehicles, the same chemical product as explosive, counterfeit documents to avoid the identification of the perpetrators, the fact that the car bomb was parked in a place near the objective, etc.

The judge then reports what happened in the investigations conducted in Venezuela:

The most important part of the testimony by the repentant Iranian is as follows: "If Abbas Zarkabi Khorasani, Mahvash Monsef Ghocamreza, Ahmad Allameh Falsafi, and Ahmad Reza Asghari are in Argentina, do not let them leave the country, because undoubtedly they were the perpetrators of the recent attack in Argentina."

Moreover, the judge said that the repentant Iranian recognized the four individuals in different pictures. "It was understood that said individual was fully aware of the involved Iranian diplomats."

Concerning the Iranian diplomats who reside in Argentina, the judge said: "When asked whether there is a terrorist structure in Argentina, the repentant Iranian answered that the excellent relations between Argentina and the United States, as well as U.S. relations with Chile and Venezuela, are well-known in Iran."

The repentant Iranian said "that any ambassador has much money, that he has no money problem. He does not know how it reaches him and that everywhere there are Arabs and Muslims who help in the attacks, and that they are their friends."

Concerning the attack on the embassy in March 1992, the repentant Iranian said that "in all cases of attacks, an official always receives the order to carry it out."

He later said that there are four individuals who worked within the Iranian Embassy and that they are responsible for planting the bomb at the Israeli Embassy, and that he does not know where they are now.

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He added that if these people are now in Argentina, they should not be allowed to leave the country because they must have participated in the attack.

The judge explained further that in order to appreciate the testimony, it is appropriate to convey the text of what was said.

At that point he makes a report as if he were shown pictures of diplomatic mail and of members of Iran accredited to Buenos Aires, adding that "the repentant Iranian recognizes Akbar Parvaresch as the head of the terrorist group to which he was referring."

Concerning Mohammad Kermani Zanjanbar, he wanted to say that he is an official who is at the embassy because of his religious contacts.

When talking about Parvaresch, the repentant Iranian said that he began his political activity against the Shah or speaking well of Khomeyni. He was then one of Khomeyni's delegates to talk with congress during the Iran-Iraq war. He was then chief of the terrorist activity as Hizballah commander.

Motamer Munacher then said that the Argentine Consulate in Tehran easily extends visas to Iranians, thus allowing their entry into Argentina.

Should Iran decide to organize an attack in Argentina, there is sufficient personnel and local support to make a decision there on how to do it.

When asked to say whether he knows some members of the Hizballah in Argentina, Brazil, and Paraguay, the repentant Iranian said that "those who are not members of the Hizballah cannot work at the embassies.

He then referred to the support of those who do not belong to the Hizballah, but said that they do not work in diplomatic missions.

He added that although the ambassador is the boss, since all belong to the Hizballah, the attacks can be carried out by the driver, some administrative officer, or a businessman.

As for the situation of the Iranian diplomats following the investigation, the report states that the SIDE detected the interest, shown by the end of last year, by the imam of the Shi'ite mosque of this capital, Mohsen Rabbani, in purchasing a Traffic van. The report mentions the different car dealers he visited: "This report has pictures that demonstrate his presence in the place," the legal report states.

The judge also points out that it is "meaningful" that Rabbani was accredited as an Iranian diplomat and consequently given diplomatic immunity on 30 March 1994 despite having lived in Argentina as a religious man without any immunity since 1983.

"I have no jurisdiction to question Rabbani regarding the suspicions concerning him. The national Supreme Court must decide on this," said Galeano.

Finally, the judge refers to what is known as "local support" mentioning Nitzcaner, Jouce, and Tellerdin.

"It must be pointed out that all those who were questioned denied any participation in the attack that motivates this inquest. It must nonetheless be pointed out that Tellerdin contradicted himself on some occasions and did not want to answer some questions. [no closing quotation marks as received]

Tellerdin [name as received] also mentioned the "great similarity" between the man who bought the Traffic van and an Iranian diplomat named Ahmad Reza Asghari.

"According to what has been explained above, I believe there is enough evidence of criminal action, and that Nitzcaner and Tellerdin are masterminds of the crime described in Article 33 of Decree Law No. 6582/58."

President Menem Phones Husayn, 'Arafat, Rabin

PY0908211894 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 1459 GMT 9 Aug 94

[Text] Buenos Aires, 9 Aug (NA)—President Carlos Menem today phoned Israeli, Jordanian, and PLO political leaders to express his satisfaction over the progress in the peace negotiations in that region.

The Argentine president first spoke with King Husayn of Jordan, to whom he expressed his happiness regarding the agreement between that Arab nation and Israel, which was signed on 8 August, thus formally ending the state of war that existed since the foundation of the Jewish state in 1948.

Menem invited Husayn to visit Argentina, a proposal that the king accepted. The date will be determined in accordance with the commitments of both heads of state.

Menem then spoke with PLO leader Yasir 'Arafat, who heads the autonomous regime in the Gaza and Jericho Strips, expressing his delight regarding the peace process in the region.

Finally, Menem spoke with Israeli Prime Minister Yitzhaq Rabin whom he congratulated for his "political decision" to undertake the process with his Arab neighbors.

Bolivia

First Year of Sanchez Administration Analyzed

PY0608014394 Madrid EFE in Spanish 1819 GMT
4 Aug 94

[Article by Alejandro Varela]

[Text] La Paz, 4 Aug (EFE)—On 6 August 1994 President Gonzalo Sanchez de Lozada will celebrate his first year as head of the Bolivian Government with a program of approved legislative measures that promises profound changes for a country that still has the worst indicators in South America.

The changes promised by Sanchez de Lozada have become a reality in Congress, but not in the cities or in the countryside, where the lives of the Bolivian people continue to be almost identical to what they were 12 months ago, with no signs of change in the medium term.

The Capitalization Law for the privatization of the main state companies, the Educational Reform Law, and the Popular Participation Law for distributing wealth with more equity are the instruments that have taken the Sanchez de Lozada administration a year to create and legalize in order to make its promises a reality.

The promulgation of these laws forced the government into harsh confrontations with various social and political sectors, leading the country to the brink of a state of siege, while President Sanchez de Lozada's popularity has fallen to almost half the percentage he enjoyed when he was inaugurated, according to the latest polls.

The Capitalization Law is the measure that seems to promise the most fruitful results for the short term, with the imminent privatization of the National Electricity Enterprise (ENDE) and the eventual privatization of the National Telecommunications Enterprise (ENTEL), Bolivian Government Oil Deposits (YPFB), the National Railway Enterprise (Enafe), and the National Smelting Enterprise (Enaf).

Through a different procedure the government is also planning to reorganize and privatize the Mining Corporation of Bolivia (Comibol) and Lloyd Bolivian Airlines, both of which have declared bankruptcy.

Another basic pillar of the Sanchez de Lozada program had been to implement the contract to sell natural gas to Brazil that was signed by the Jaime Paz Zamora administration (1989-1993), but this has not been done due to constant delays.

The economic indicators have not been the best company for the Bolivian president during the first 12 months of his administration, with growth that by the end of 1994 will reach 4 percent, an inflation rate that could surpass 7 percent, and a trade deficit that during the first quarter of this year reached \$39.5 million.

Sanchez de Lozada promised a massive creation of jobs, which has not occurred. On the contrary, during the first months of his administration Sanchez de Lozada saw the need to dismiss over 9,000 public workers, but he immediately had to take measures to mitigate the situation through a "Social Relief Plan," which the people baptized the "Pain Reliever Plan" in reference to an analgesic for children.

From the political point of view the government was hardly able to keep the coalition together, being under the constant threat of departure by the populist Solidarity Civic Union (UCS). Thanks to the UCS, Sanchez de Lozada's party, the Nationalist Revolutionary Movement (MNR), enjoys an absolute majority in Congress.

Another promise made by the president was a struggle against corruption, and in this regard the Bolivian people were astonished to see in one year the fall of Supreme Court President Edgar Oblitas for alleged blackmail, while ex-President Jaime Paz Zamora was forced to withdraw from political life for his alleged links with drug trafficking.

Drug trafficking continues to be one of the most serious problems affecting Bolivia, which is the world's second greatest producer of coca, the raw material for making cocaine, after Peru, according to figures by the Bolivian Government.

In the last 12 months the only thing that the battle against drug trafficking seems to have done is to fire up peasant violence, which did not exist before, in the central region of the Chapare where most of the coca is grown, the eradication of which involves a joint effort by the Bolivian and U.S. Governments.

A government police success for the first year of the administration was the arrest of ex-de facto President Luis Garcia Meza (1980-1981), sentenced in Bolivia to 30 years in prison, who was arrested on 11 March in Brazil, where he is being held awaiting extradition.

Regarding foreign policy, consular relations with Chile initially moved toward the possibility of restoring diplomatic ties, but later there was a new distancing when President Sanchez de Lozada surprisingly and without explanation decided to change Bolivian Consul to Santiago Armando Loayza, after having named him a few months earlier.

New Bolivian-Cuban Chamber of Commerce Created

PY0908164694 La Paz Television Nacional Network in Spanish 0100 GMT 9 Aug 94

[Text] The Bolivian-Cuban Chamber of Commerce was created recently. With this step the two countries will begin a kind of relationship.

In the midst of the economic crisis resulting from the end of preferential connections with the former socialist bloc, after droughts and floods, and with low international prices for sugar and nickel—the main Cuban export products—this country clings to its political agenda, implementing a number of changes which, without changing the very essence of the socialist system, permit Cuban reinstatement into the world economy.

Within this framework, the Bolivian-Cuban Chamber of Commerce has been created. Cuba currently has commercial ties with over 3,000 companies from 84 countries. In Cuba there are more than 100 joint ventures and 500 foreign companies, most of them Latin American.

This opening has begun with the elimination of obstacles for foreign investment, in the wake of the reform of the Cuban Constitution in 1992.

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[Begin Cuban International Relations Director Gladys Garcia recording] The economic opening in Cuba is a positive factor. It is one of the main components of the economic policy implemented in the country. It is a realistic strategy for our adaptation, in a permanent way, to the new international political and economic scenario. But the main objectives of this opening are: the promotion of foreign investment; the recovery of traditional exports; the promotion of new exportable goods; the reorganization of our foreign trade; and development generated from tourism. [end recording]

In addition to tourism, the main foreign investment areas in Cuba are energy, steel, construction materials, agriculture, and petroleum research.

Commercial relations between Cuba and Bolivia have so far been limited to imports by Bolivian businessmen of Cuban vaccines, medicines, and other products, and there is still an unexplored and interesting field of products, a Bolivian importer of Havana Club rum said.

[Begin Foreign Trade Director Julio Cesar Gil recording] I believe none of you will be disappointed by the results of your investments in Cuba, or the results of importing a given number of Cuban products. [end recording]

This new chamber of commerce already has some 52 members.

Air Force Said 'Unable' To Control Air Space

PY0508205694 La Paz HOY in Spanish 27 Jul 94 p 12

[Text] ANF—Bolivian Air Force (FAB) Commander General Jose Perez Reyes Ortiz has reported that the FAB is technically and technologically unable to control Bolivian air space sovereignty, which is why this task for the time being has been entrusted to four modern U.S. planes which arrived 10 days ago.

The Defense Ministry has reported that the tracking and reconnaissance planes which are participating in "Operation New Dawn" in the Chapare, Cochabamba, and Santa Cruz comprise one AWACS-equipped E-3, a P-3 tracking plane, and one KC-135 Stratotanker.

The FAB commander explained that four planes arrived within the framework of bilateral agreements: two DEA [Drug Enforcement Administration] radar planes; one tanker (fuel supplier); and one U.S. Air Force D-3. [sentence as published]

He said this U.S. equipment controls the movement of planes used for the illegal trafficking of controlled substances. He said: "If these planes return to their bases of origin, Bolivian airspace will be more vulnerable than ever."

The general added that installation of two secondary radar units in Santa Cruz and Trinidad will help control our airspace.

He said these radar units were acquired from Italy for \$16 million; \$8 million in credit and \$8 million in loans. They will enable Bolivia "to control, to a large extent, its airspace."

He said: "These two radar units will be supplemented by the U.S. planes that might eventually arrive to cooperate in intercepting drug trafficking planes." [sentence as published]

Brazil

Ambassador Sees Ties With U.S. 'Strengthening'

PY0908212194 Sao Paulo GAZETA MERCANTIL in Portuguese 7 Aug 94 p 5

[Article by Maria Helena Tachinardi]

[Text] Paulo Tarso Flecha de Lima, Brazilian Ambassador to the United States, sees the launching this month by the U.S. NASA and the Brazilian Space Agency of 33 probe rockets from the Alcantara Launching base as a victory for diplomatic negotiations in the field of scientific and technological cooperation.

The project is a result of U.S. Vice President Al Gore's visit to Brazil at the beginning of the year when the two countries renewed a technological accord that had been paralyzed by difficulties in the area of intellectual property (patents).

This is just one fact that proves the strengthening of ties between the two countries. Flecha de Lima said yesterday at Itamaraty that he views Brazilian relations with the United States as positive. He said they have improved significantly in all fields since the beginning of the year.

The ambassador said a change occurred in the military area, where distrust had separated the two countries. The military maneuvers conducted in the second half of 1993 by General George Joulwan of the U.S. South Command in Guyana, near the Brazilian border, caused unrest among the Brazilian Armed Forces. Flecha de Lima said that following the replacement of Gen. Joulwan by General Barry R. McCaffrey, U.S.-Brazilian relations have markedly improved. All the Brazilian military commanders have visited Washington in recent months. General Benedito Onofre Bezerra Leonel, chief of the Army general staff, is currently visiting the United States. U.S. Defense Secretary William Perry will visit Brazil this year.

By taking a chance with Brazil, the U.S. consortium Raytheon won a contract for supplying equipment and services for Sivam—the Amazon Region Surveillance System—worth \$1.4 billion. Brazilian diplomats said the decision to award the contract to Raytheon was not based on political, but on technical, commercial, and financial facts. Itamaraty Secretary General Roberto Abdenur said the fact that the contract was awarded to a U.S. company has favorably influenced Brazilian-U.S.

relations. The Brazilian Government hopes there will be a degree of reciprocity toward Embraer [Brazilian Aeronautics Company], which is bidding to supply Tucano training planes to the United States. The contract will be awarded in December.

The United States is now looking at Brazil as a more reliable country having ratified the quadripartite agreement on nuclear safeguards with the International Atomic Energy Agency (IAEA); and the Tlatelolco Treaty, which bans nuclear weapons in Latin America and the Caribbean. Diplomatic sources said the U.S. Government no longer insists that Brazil sign the Non-proliferation Treaty (NPT) because the Tlatelolco treaty "fulfills a similar function." Abdenur reported that Germany is also prepared to remove Brazil from its "H list," which imposed restrictions on Brazilian access to sensitive technology.

Support of ICPD Document Said Not Violating Constitution

PY0908215094 Rio de Janeiro JORNAL DO BRASIL in Portuguese 2 Aug 94 p 8

[Article by Luiz Orlando Carneiro]

[Text] Brasilia—Itamaraty has released a note refuting charges that it was violating the Constitution by supporting a preparatory document for the upcoming International Conference on Population and Development [ICPD], which is sponsored by the United Nations. The conference allegedly defends birth control through any method, including abortion.

According to the Itamaraty Press Secretariat, "except for a few paragraphs" there is consensus about most of the basic document to be presented at the Cairo Conference, which will be held in September. The Press Secretariat adds that abortion is not approved as a family planning method in any of these paragraphs. Marriage between homosexuals, initiatives that "weaken the family concept," and mandatory population control are not contemplated in the document, either.

According to Itamaraty, the Cairo Conference document—International Plan On Population and Development—is being "drafted by all members of the international community during democratic discussions that seek a consensus." The text also says that Itamaraty "has sought conformity between its actions and strict adherence to Brazilian laws, which contemplate the possibility of an abortion in rape cases and cases in which the mother's life is at risk."

Franco Doubts Economic Team's Figures

PY0908141994 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 8 Aug 94 p B1

[Article by Tania Monteiro]

[Text] Brasilia—President Itamar Franco again criticized the economic team by doubting, yesterday, the accuracy of the numbers presented by the Finance Ministry. These numbers will serve as the basis for calculating the salary increase to be granted to civilian and military government employees. After asserting that the first stage of the salary equalization for public employees will begin this week, the president said: "There is a proverb that says that while numbers never lie, liars make up numbers."

Two months ago, in another interview with the press, President Franco had already said that he would fight the economic team if needed in order to grant public employees a salary increase. He said he believed they were "making very little."

"I will make a decision on the problem this week, if the economic team insists on not cooperating," the president warned. He corrected himself immediately: "The solution will really be made this week."

Asked about what kind of cooperation the economic team was failing to render, the president tried to change the subject: "I am not saying that they are not cooperating." Dissatisfied with the values reported by the Finance Ministry as the amount available in cash for granting salary increases to public employees, Franco added: "The numbers are real; they cannot be fictitious."

President Itamar Franco made these comments after attending the ceremony in which the national flag was replaced at the Tres Poderes Square in Brasilia.

Ends Criticism; Ricupero Remains

PY1008020594 Sao Paulo AGENCIA ESTADO in Portuguese 0025 GMT 9 Aug 94

[By Beatriz Abreu, Joao Bosco Rabello, and Odail Figueiredo, with Sandra Sato's cooperation]

[Text] Brasilia, 9 Aug (AE)—President Itamar Franco's decision to back down in his criticism of the economic team made Finance Minister Rubens Ricupero reconsider his original decision to leave the government. Ricupero thought about leaving his position after Franco publicly expressed distrust of the team's figures regarding the budget. In a tense talk at Planalto Palace on 8 August, Ricupero demanded from the president a personal expression of confidence in his work. Only after Franco explained that his comments were not aimed at him did Ricupero say he was satisfied with the explanations.

Tonight, after a new meeting among Franco, Ricupero, Administration Secretary Romildo Canhin, and Admiral Arnaldo Leite, chief of the Armed Forces Joint Staff, the crisis was bypassed. In an official note read at the end of the meeting, Planalto Palace spokesman Fernando Costa reported that in five days the provisional measure on salary equalization for public employees will be ready. According to the spokesman, Franco's decision was based on data provided by the ministers of finance and

of planning, and preserves the Real Plan. One of Ricupero's aides told ESTADO agency after the meeting: "The minister was very satisfied. Everything worked out all right."

The agreement was possible because, late in the afternoon, the Federal Administration Secretariat (SAF) decided to modify the original salary equalization proposal to meet the needs of all the 1.2 million civilian public employees. There was a consensus with the economic area regarding the proposals made and it was agreed that expenses with salary increases until the end of the year would not surpass \$697 million. These figures were established by the Finance Ministry.

Rumors—Ricupero's diplomatic training prevented details of the talk with President Franco from leaking. As a result, rumors about his possible resignation were spread, but they were insufficient to shake the market, which did not learn about the seriousness of the crisis. The operations at the stockmarket increased 89.5 percent and the dollar exchange rate dropped one more point. Nevertheless, there was unrest in the political circles. Fernando Henrique Cardoso—candidate for the PFL/PSDB/PTB [Liberal Front Party/Brazilian Social Democracy Party/Brazilian Labor Party] coalition—the candidate to benefit more from the plan, temporarily forgot his campaign and returned to Brasilia to talk to Franco.

The economic team handled the crisis by minimizing it and attributing it to President Franco's temperamental character. Individually, however, they were tense and some seriously considered the possibility of resigning. One of them was Treasury Secretary Murilo Portugal, whom the military criticize most, considering him inflexible regarding a possible salary increase.

Even after Franco and his finance minister had a talk, the concern remained. One hour later, Ricupero compared his situation to that of former Minister San Thiago Dantas who, during former President Jango Goulart's administration, resigned as a result of pressure over salary increases. Ricupero poured out his heart during a lecture at the Air Force Center of Studies on the night of 8 August: "The problems are identical to those of 31 years ago." In 1963, Ricupero was working with San Thiago Dantas' staff and witnessed when his chief resigned his position because pressure calling for salary increases eroded his plans to stabilize the economy.

Ricupero told a group of military, including Air Force Minister Lelio Lobo and General Fernando Cardoso, head of the Presidency's Military Household, that "stability is only possible if it results from a strict balance in public accounts, if it restrains fair claims, and postpones the projects for later."

Today, with the situation still tense at the Finance Ministry, Secretary Romildo Canhin tried to calm everyone down by attributing part of the blame for Franco's explosion to himself. He admitted that, so far,

he has not been able to offer the president a solution to the problem. Finance Ministry and Planalto Palace circles believe this Act of Contrition was motivated by a feeling of guilt: Canhin allegedly felt responsible for unintentionally irritating the president.

Chile

Frei 'Very Satisfied' With Mercosur Agreement

PY0908145394 Madrid EFE in Spanish 2124 GMT
6 Aug 94

[Text] Santiago, 6 Aug (EFE)—Chilean President Eduardo Frei Ruiz Tagle stated today, 6 August, that he is very satisfied with the agreement achieved with countries of the Common Market of the South (Mercosur), to negotiate a free trade association between Chile and the Mercosur.

This agreement was achieved in Buenos Aires during the sixth summit of Mercosur countries, comprising Argentina, Brazil, Paraguay, and Uruguay, which the Chilean president attended as a special guest.

In remarks to the press upon returning from the Argentine capital, the Chilean president also reaffirmed his gratitude "to the presidents of friendly countries for the warm welcome they have given us, which allows us to focus with great optimism on the common future."

Moreover, Frei confirmed that Argentine President Carlos Menem will officially visit Chile by the end of August, an occasion when the two presidents will keep working toward implementing and strengthening of their bilateral relations.

Frei also praised the agreement reached with member countries of Mercosur which will help implement the customs union within that organization as of 1 August 1995 because of what it represents for their economies and "because it will facilitate negotiations with Chile for the free trade association."

Figueroa Views Ties With Mercosur, Bolivia

PY0908161694 Santiago Television Nacional de Chile
Imagen Internacional in Spanish 1100 GMT 8 Aug 94

[Interview with Foreign Minister Carlos Figueroa by Alejandro Guillen—live]

[Text] [Guillen] Good morning, sir.

[Figueroa] Good morning Alejandro.

[Guillen] President Frei came back very satisfied with his meeting with the Mercosur [Common Market of the South] member countries. How would you describe the specific results of this meeting?

[Figueroa] Chile submitted a proposal to Mercosur—which comprises Argentina, Brazil, Uruguay, and Paraguay—over a commercial agreement with that organization. Chile is not able to join Mercosur. The

Asuncion Treaty has an exception clause referring to a common external tariff [AEC] which has been the subject of great disagreement these past few days in Buenos Aires. The AEC is a tariff that the four member countries will use for all third markets, including Chile. The Mercosur AEC ranges from zero to 20 percent, while on other items-like capital goods or informatics—it ranges from 14 to 16 percent. Chile is not able to join a market in which it would have to increase its tariffs for deals with third markets. Chile would be at a disadvantage in the Mercosur.

[Guiller] How will Chile fit in then?

[Figuerola] The idea that Mercosur could make deals with third countries, without the need for them to join Mercosur, surfaced from a proposal by Brazil within the Mercosur framework known as the South American Free Trade Agreement. We proposed what we call an economic cooperation agreement within the ALADI (Latin American Integration Association) framework. The ALADI mechanism has been operating since the 1980's among the countries of the region to reach a free trade agreement that will allow us to preserve our tariff advantages, especially with the largest Mercosur members, Argentina and Brazil, which are Chile's third and fourth most important trade partners in the world, respectively.

When we talk about trade partners we refer to the countries to which Chile exports. Consequently, we are very eager to preserve the advantages we enjoy within the ALADI framework. The important thing about the agreement signed in Buenos Aires is that the presidents of the Mercosur member countries agree with Chile to negotiate an economic cooperation agreement within the framework I have just mentioned. That is the result of the visit. I want to explicitly say that this is the beginning rather than the end. We are starting a complex negotiation. It is complex in that it is unprecedented within Mercosur because it has a differentiated tariff. We have to negotiate the agreements we have with four countries with a single organization. But the important thing is the political will expressed by Mercosur with Chile, the first country with which it will negotiate an agreement of this nature.

[Guiller] What about the United States and its free trade agreement with Mexico and Canada?

[Figuerola] I believe there has been a delay because President Clinton proposed the fast-lane ratification of the GATT Uruguay Round—which is a seven-year permit to make deals with various countries, the first of which was Chile—and the extension of the general preferential tariffs which helps countries with a lower relative development rate enter the U.S. market. The U.S. Senate Finance Commission has decided to handle only the GATT talks issue via the fast lane. This is just a timing problem. The government must now renew, through another draft bill, fast-lane approval for the trade agreement and the general preferential tariffs issue.

[Guiller] Being rather optimistic, when could we expect Chile will join this treaty?

[Figuerola] I would say once the U.S. Congress approves because the U.S. president needs congressional approval before fully negotiating an agreement to ensure that it will not be modified later. Unlike Chile, where agreements are only ratified or rejected by Congress, the U.S. Congress may modify them. This is why they have the fast track system that allows Congress to approve or reject the negotiation.

[Guiller] Minister.

[Figuerola] Please let me answer your question fully. Once the U.S. Congress has approved it, via the fast track, negotiations will take about one year due to the complexity of negotiating with NAFTA which includes three trade agreements that involve commercial, investment, and patent agreements, etc.

[Guiller] Minister. The Bolivian vice president visited Chile recently. He said the Bolivian Government wants to change its attitude regarding Chile. How does the Chilean Foreign Ministry interpret this? I also understand that Chilean and Bolivian experts will meet this week.

[Figuerola] This coincides with the Chilean Government stance. We want to establish an excellent relationship with Bolivia. We will seek every mechanism to make the relationship between our two countries fluid and friendly, and to fully cooperate in various fields. The foreign ministries committed themselves during the meeting of the Chilean and Bolivian presidents in Cartagena de Indias, Colombia, to prepare a working agenda to include economic, political, cultural, social, tourism, and educational issues and to submit it to the presidents for their ratification during the upcoming Rio Group summit on 10 September. The Chilean Foreign Ministry has already prepared this agenda which has been approved by the president of the Republic. The representatives of the two foreign ministries will meet on 11 August to polish this agenda so that its objectives coincide when we submit them to the presidents.

[Guiller] This is when everything will be analyzed.

[Figuerola] Everything has been discussed. Disagreements are also expressed, but within this new spirit that has surfaced between Bolivia and Chile. I told the Bolivian vice president that my post requires me to accompany many chiefs of state and foreign ministers who visit Chile and I have rarely seen such a warm welcome as the Chilean people gave him. I have rarely seen people give a vice president a four-minute standing ovation after his speech. This, I believe, was a very important gesture towards Bolivia. I think it expresses Chile's friendly attitude towards those people with whom we would like to share tighter relations.

[Guiller] Thank you very much.

Free Trade Zone To Be Created With Ecuador

PY1008024794 Santiago EL MERCURIO in Spanish
26 Jul 94 p B2

[Text] The Chilean and Ecuadoran technical delegations recently set the groundwork in Quito for a free trade agreement that establishes the elimination of all tariffs in bilateral Chilean-Ecuadoran trade by 1 January 1998.

According to reports provided by Chilean Ambassador to Quito Roberto Pizarro, all products included in the agreement the two countries have within ALADI [Latin American Integration Association] will reportedly have zero tariff when the treaty is implemented.

Within this framework, products such as textiles, fruits, wood, some types of shoes, chemicals, certain types of glass, some agricultural products and wines will access the Ecuadoran market without paying tariffs.

Moreover, the general tariff lifting program that will be in effect as of 1 January 1995 expects to reach a zero tariff by 1 January 1998.

The delegations also proposed a program of gradual lifting of tariffs for a set of products considered sensitive, which would be exempted from tariffs by the year 2000. Some types of shoes, chemicals, glass, ceramic, and instant coffee would be in this category.

The list of exceptions, that is, those which are not affected by a tariff reduction timetable, were reduced to the minimum. In the Chilean case, it will be made up of 70 products, and it will include 130 in the Ecuadoran case.

In the automobile area, for the first time a real opening was verified, Ambassador Pizarro reported. This will be reflected in a slow lifting of tariffs which consists of the implementation of a tariff preference of 40 percent the first year and 30 percent the second and third years.

Concerning the rules of origin, the Ecuadoran delegation welcomed a Chilean proposal on including as a requirement for the validity of the certificates of origin an affidavit of the producer or exporter.

Concerning air transport, the text proposed by the aeronautics officials had been approved at the joint meeting held in June 1994, and will allow the opening of the skies of the entire Latin American region for companies of the two countries. Concerning maritime transport, the Ecuadoran Government is studying the text proposed by officials of the two sectors.

Moreover, the ambassador said that in the text of the Economic Supplementation Agreement both countries promise to eliminate the nontariff barriers and any other restriction to trade.

Parallel to the meeting held by the official delegations, the private sectors of the two nations also signed a document in which they committed all their efforts to

buttress the treaty as soon as possible. They also noted that this instrument will allow them to increase trade and reciprocal investments.

Bilateral trade last year totaled \$184.7 million, of which \$5.2 million represents Chilean exports and the rest Ecuadoran exports to our country.

With the formalization of this agreement, Chile will have four economic supplementation agreements in the region. Other agreements had been signed with Mexico, Venezuela, and Colombia, which will allow it to liberate trade tariffs amounting to \$330 million before the end of the century.

Colombia

Samper Meets With Peruvian, Venezuelan Presidents

PA9908142994 Santa Fe de Bogota Inravisión Canal A
Newark in Spanish 1730 GMT 8 Aug 94

[From the "Midday Television Newscast"]

[Text] Several Latin American presidents promised yesterday to further various international programs promoted by Colombia.

President Samper's international agenda will begin with a visit to Venezuela. The two presidents met yesterday and started to formalize Samper's upcoming trip to neighboring Venezuela. But the date for the visit has still not been set.

President Caldera, despite serious economic problems in his country, offered words of hope to the Colombian exporters.

[Begin Caldera recording] The measures we have adopted also protect Colombian businessmen because they prevent the bolivar from devaluating in an accelerated and absurd manner, which hurts both them and us. [end recording]

Peruvian President Alberto Fujimori indicated that the struggle against drug trafficking should be a joint endeavor by all nations involved in the problem.

[Begin Fujimori recording] Well, we continue to strengthen our relations and to coordinate on many fronts. [end recording]

Apostolic Nuncio Paolo Romeo asserted that talks between the Samper administration and the Vatican designed to mend several snags in their relations will continue.

[Begin Romeo recording] We will sit down at the table to evaluate and find solutions to pending problems. [end recording]

Most of the presidents and international guests are leaving our country today.

Samper Condemns Killing of Patriotic Union Senator*PA0908184794 Santa Fe de Bogota Inravisión Television Canal A Network in Spanish 1730 GMT 9 Aug 94*

[Report by Ricardo Canon and Wilson Moreno; from the "Midday Television Newscast"]

[Text] Manuel Cepeda Vargas, Patriotic Union senator and political leader, was murdered this morning by henchmen only 10 blocks from his home. The killing occurred on Las Americas Avenue and 74th Street, Banderas neighborhood, in the western sector of Santa Fe de Bogota. Apparently, three henchmen in a gray Sprint or Renault fired several times at the senator, who was sitting in the front seat of his camper. The senator had his window rolled halfway down; this made the henchmen's attack easier. Senator Cepeda Vargas was killed sometime between 0830 and 0900 on a crowded avenue, only a few blocks from his home in Banderas neighborhood, Ciudad Kennedy. A woman was waiting for a bus near the site of the attack. She told the "Midday Television Newscast" what she saw.

[Begin unidentified speaker recording] Dr. Cepeda's window was partly rolled down. The killer stuck his hand in and fired. The driver of the senator's car stopped and asked for help. I started ringing doorbells on my side of the street while they did the same on the other side of the street. They were able to get to a telephone and call for help. I walked over to the vehicle and saw that he was already dead. [end recording]

According to Ivan Cepeda, son of the assassinated senator, his father had been receiving threats for some time.

[Being Cepeda recording] He had been constantly and clearly stating that the Military High Command had prepared a plan against leftist leaders in this country. [end recording]

The senator's bodyguard, who along with the driver was unharmed, reacted to the attack. But his efforts failed.

It was later learned that two suspects were arrested a few blocks from the site of the attack.

A few minutes ago President Ernesto Samper commented on Senator Cepeda's assassination.

[Begin recording] [Moreno] You were his friend. What do you have to say about this attack, especially now that you have initiated a government of goodwill and peace?

[Samper] I regret this act of violence. This will not make us abandon our search for peace, something that a democrat like Manuel Cepeda always sought. Those who promote violence will not thrive in this country. These actions that the government strongly condemns will continue to encourage us to keep our guard up against all forms of violence, such as the one that has ended the life of this democratic left leader, and against all forms of violence that affect the Colombian people.

I have called a Security Council meeting for this afternoon. We will study the public order and security issues surrounding this episode that I regret as president and as a democrat. [end recording]

President Ernesto Samper Pizano also remembered the years that Cepeda had performed the duties of senator of the Republic.

PCC Blames Military*PA1008020794 Santa Fe de Bogota Inravisión Television Canal A Network in Spanish 0000 GMT 10 Aug 94*

[From the "Seven O'Clock Newscast"]

[Text] Once reports of the crime were made public, the Communist Party of Colombia [PCC], through its secretary general, blamed the military for the murder of PCC leader Manuel Cepeda.

According to the PCC and the Patriotic Union, the military intelligence division was carrying out a campaign called Coup de Grace to murder outspoken leaders of these leftist groups.

[Begin PCC leader Alvaro Vasquez recording] We are absolutely positive this crime is part of the high-ranking military officers' Coup de Grace campaign, which has already murdered several prominent companeros. [end recording]

Earlier, the PCC Central Committee had asked the previous government to investigate this charge and had conveyed its concern about such threats to the OAS, an organization that asked the Colombia Government to issue protection warrants to adequately safeguard leftist leaders. Nevertheless, only Cepeda's driver, who was carrying a revolver, accompanied him at the time of the murder.

[Begin Vasquez recording] At this time, we are tired of these criminal actions. [end recording]

Magazine Links Politicians to Cali Cartel*PA0908170494 Santa Fe de Bogota Inravisión Television Canal A Network in Spanish 0000 GMT 9 Aug 94*

[From the "Seven O'Clock Newscast"]

[Text] Scandals involving alleged ties between public officials and members of the Cali Cartel seem unending. The Spanish magazine CAMBIO 16 reported today that the names of several well-known politicians are in one of the documents turned up by a Search Bloc raid in Cali.

CAMBIO 16 reports in its latest edition that the Search Bloc investigating the Cali Cartel had seized several documents at Exposal, a Cali company owned by the Rodriguez Orejuela brothers. The document includes clear instructions related to alleged payoffs of several political leaders, such as Eduardo Mestre Sarmiento, a former Liberal Party [PL] leader and former congressman; former National Congress President Norberto

Morales Ballesteros; Rodolfo Gonzalez Garcia, former comptroller general and former presidential candidate; and recently elected Congressman Fernando Tello.

According to the magazine's report, the Search Bloc also uncovered documents involving Armando Holguin Sarria, a former representative and current congressman, as witness to a will prepared several years ago by Miguel Rodriguez Orejuela.

The report also stresses that the congressman's name appears on a guest list for the wedding of Miguel Rodriguez Orejuela's first son, which was held four months ago. Juan Jose Bellini, former president of the Colombian Soccer Federation, was also on the wedding ceremony's guest list.

According to the magazine, any ties between Armando Holguin and Miguel Rodriguez Orejuela would be risky, especially if one takes into account that the congressman is a member of the Senate's second commission responsible for evaluating international agreements like the ones on the struggle against drug trafficking.

On the other hand, the "Seven O'Clock Newscast" was able to learn from a source close to the Prosecutor General's Office that the list of politicians allegedly linked to the Cali Cartel is a lot longer than what has been disclosed so far.

In Bucaramanga, politicians Rodolfo Gonzalez and Norberto Morales reacted to CAMBIO 16's disclosure.

[Begin Gonzalez recording] I am waiting for an explanation of the charges against me. As I see it, nearly 98 percent of the magazine's report deals exclusively with problems involving the Cali Cartel and police officers, a certain testament where Senator Armando Holguin appears as executor, and a car sale to a man whose name I do not recall. My name is mentioned in just one line and, as the report says, with the word allegedly in close proximity. In this respect, I would like an explanation of whether I am being charged with anything. [end recording]

[Begin Morales recording] Whoever wrote that magazine report did it in bad faith because what he has done to us is something despicable which has no journalistic explanation whatsoever. As far as we have been able to learn this morning, the Search Bloc found a piece of dog-eared paper that included the name Eduardo Mestre, period, others, period, and Santander in brackets. Nowhere in the report do the names Rodolfo Gonzalez or Norberto Morales appear. [end recording]

Samper Confirms Military Officers in Posts

PA0908132594 Santa Fe de Bogota EL TIEMPO in Spanish 2 Aug 94 pp 1A, 8A

[Text] Yesterday President-elect Ernesto Samper Pizano confirmed in their posts the commanders of the Armed Forces, the Joint Chiefs of Staff, the Army, the Police, the Air Force, and the Navy.

Confirmation of the appointments was made after a meeting yesterday in which the existing status of public order in the country was reviewed. The decision was adopted jointly by the president-elect and Fernando Botero Zea, the defense minister-designate.

During the meeting, high-ranking military officers presented a detailed analysis of the situation in the wake of the offensive unleashed by the Simon Bolivar National Guerrilla Coordinating Board in the last three weeks.

The president-elect talked to the high-ranking military officers about the need to adopt mechanisms that will allow for the development of intelligence capabilities in the various forces.

Samper also insisted on the need to strengthen the operational capabilities of the public forces in order to face the various criminal organizations that are having an adverse effect on public order.

In the meeting, the president-elect also expressed his concerns about the need to guide the activities of the public force to guarantee citizens' security and to complement the fight against drug traffickers and guerrillas.

Finally, Samper said it is necessary to implement a human rights policy within the Armed Forces and the National Police.

After lunch, Samper officially notified the high-ranking Armed Forces officers of his decision to confirm the officers attending the meeting in their respective posts during the next government.

Those attending the meeting were Generals Ramon Emilio Gil Bermudez, commander of the Armed Forces; Luis Alberto Rodriguez, chairman of the Joint Chiefs of Staff; Hernan Jose Guzman, commander of the Army; Major Gen. Alfonso Abondano, commander of the Air Force; Vice Admiral Hernando Garcia Ramirez, commander of the Navy; and Gen. Octavio Vargas Silva, director of the National Police.

New strategies

Following yesterday's meeting, Police Director Gen. Octavio Vargas Silva announced the adoption of new security strategies in Colombia that will allow authorities to face criminal organizations more efficiently.

The high-ranking officer said that "it is up to us to continue with the reform and modernization process in the National Police and to adopt new mechanisms that will allow us to strengthen the security of all citizens."

The high-ranking officer said the new strategies include the possibility of increasing the number of the institution's reaction groups and strengthening police units that investigate crimes that affect citizens most.

Gen. Vargas also said that that institution will intensify its fight against drug trafficking organizations, not only in Valle del Cauca Department but also in the other regions of the country.

In statements to EL TIEMPO, the high-ranking officer said that "we are going to continue implementing the mechanisms that will allow us to dismantle drug trafficking organizations that still exist in Colombia."

Air Force Leader on Situation After Budget Cuts

*PA0908144694 Santa Fe de Bogota Inravisión
Television Cadena 1 in Spanish 0130 GMT 8 Aug 94*

[From the "TV Today" newscast—passages within quotation marks recorded]

[Text] The Colombian Air Force faces a critical situation because it does not have the necessary resources to replace its obsolete equipment. General Alfonso Abondano believes the budget cuts leave the Force in a critical situation. The National Planning Office has cut more than 6 billion pesos from the Air Force's budget.

[Abondano] "The budget has been cut. They have to understand, for example, that a four-engine plane cannot fly on three engines. They are cutting 30 to 40 percent, and this represents one engine in a four-engine plane. Planes don't fly on three engines."

Lack of funds has grounded 20 percent of the Air Force's helicopters. It will also be a while before helicopters on order are delivered.

[Abondano] "Yes. It will be a long time before they come.

[Reporter] "How long?

[Abondano] "Approximately one year.

[Reporter] "A year before you can get the helicopters here?

[Abondano] "Yes, that's the way it stands now."

He also said that the Air Force does not have enough aircraft to transport troops.

[Abondano] "The Army has grown. We have to move those troops. We have had the same aircraft for approximately 10 years. We also need liaison aircraft for commandos."

There are also problems with the radar. The two U.S. radar installations that by agreement were being used to detect drug traffickers' planes in Leticia and Araracuara have been shut down. The radar sites in San Andres and Rio Hacha do not have enough power.

[Abondano] "As you note, they are not operational because of a legal problem with the United States. I believe the problem is being resolved and that the radar will soon be operational again."

Abondano also reported that they do not have enough landing strips and that their planes are very old.

[Abondano] "You have seen that we're still flying DC-3's. Why? Because we don't have enough landing strips.

We should have them so that we could use more modern equipment. This would allow us to support remote regions in Colombia."

According to experts, this explains in part why many times troops do not arrive swiftly to areas attacked by the guerrillas. We do not have the aircraft to transport them. Also, many planes overfly our country as if they were in their own houses because there is no radar to spot them or adequate aircraft to intercept them. The Colombian Air Force is indeed in crisis.

Orlando Vasquez's Suitability Questioned

*94P21074 Santa Fe de Bogota EL TIEMPO in Spanish
1 Aug 94 p 5A*

[Commentary by Juan Lozano before the Senate's selection of Orlando Vasquez as Attorney General]

[Text] In 1991 when Orlando Vasquez was preparing to campaign for the Senate, the widow of his assassinated political chief, Estrada Velez, publicly accused him of betrayal because of his poor management of the Liberal Party Directorate.

To quote: "The designated disciple quickly forgot the essential norms of good faith taught him by his mentor and began to harass the advisers who were left to him by his teacher and who did not yield to his shameful political ambitions...."

In April 1992 this newspaper published an editorial note, entitled "True Clientelism," about an initiative introduced by Vasquez authorizing public officials, without jurisdiction or mandate, to intervene in politics.

In May 1992 he authored the proposal which led to a highly disgraceful political festival in the election of the magistrates comprising the Disciplinary Chamber of the Higher Council of the Judiciary.

That same month he proposed a populist labor reform which, among other gems, considered granting an unemployment subsidy to prisoners. Plinio Mendoza called it "the latest act of lunacy."

In April 1993 he was the most fiery speaker in defense of the congressional leadership chaired by Carlos Espinosa Facio-Lince who was accused of granting millions of pesos in compensation pay to congressional employees.

A debate followed, in which the courageous voice of Claudia Blum was heard, aimed at salvaging the congressional ethics commissions which were threatened by a bill drawn up by Vasquez, which also sought to drastically reduce the authority of the Attorney General's Office.

In November 1993 the Attorney General's Office requested that legislator Oscar Ramirez be forced to resign from office for persuading public officials to pay fees to the Popular Liberal Directorate. The legislator,

who appealed this, said he had been following orders of his political chief at the time, Orlando Vasquez.

I am uninformed regarding the manner in which these matters developed. I base these statements on press reports which appear, without correction, in the archives of this newspaper.

The QAP news program recorded his lusterless passage through the Ministry of Government and his weak speech in the famous debate in Congress when the U.S. visas of several legislators, including Alberto Santofimio, Juan Slebi, and Bernardo Guerra Serna, were canceled. My colleague [EL TIEMPO commentator] D'Artagnan said at the time that, instead of defending his government and his president, Orlando Vasquez wound up "making all sorts of excuses for the offender of the moment."

Recently, Maria Jimena Duzan highlighted the dangers of the bill placing end of the crime of illicit enrichment which was handled by the commission in which Vasquez participated. What is even more serious, she said that "his substitute in the House, Arlem Uribe, was part of the "lobby" which obtained the introduction of amendments, proposed by lawyers for the cartels, into the new Penal Procedures Code...."

Yesterday, I viewed CM& recordings of the sessions in which these modifications were handled. They are powerful.

As for myself, I met Orlando Vasquez at Luis Carlos Galan's wake when Cesar Gaviria asked for President Barco to meet with the people closest to his campaign. I thought at the time that Colombia was without a Minister of Government. He was so frightened, so lacking in class, the job was too big for him....

Honorable Members of Congress: I very respectfully invite you to ponder this decision. You have, by virtue of your office, the opportunity to bring yourselves into line with the national public opinion and demonstrate that you place the good of the country above solidarity among your members, or sympathy for an amiable colleague.

They say Dr. Vasquez is well versed on constitutional matters, and that he is gentlemanly and polite. I imagine that is true. But is he the Attorney General that Colombia needs?

Gaviria Views Accomplishments, Failures

PA0508165994 Santa Fe de Bogota EL ESPECTADOR in Spanish 30 Jul 94 p 3-B

["Part II" of an interview with President Cesar Gaviria by Carlos Murcia and Henry Rodriguez, EL ESPECTADOR political and economic editors, in Santa Fe de Bogota; date not given]

[Text] [EL ESPECTADOR] Mr. President, where did you go wrong?

[Gaviria] In many things. Although it is your job to say so, not mine.

[EL ESPECTADOR] Does the coffee sector dislike you because you lowered domestic prices for coffee twice?

[Gaviria] I don't think the coffee sector dislikes me. Among other activities, I will be visiting the coffee areas this weekend, and perhaps, if you go there, you will realize see whether they like me.

We never lowered coffee prices. Strictly speaking, we did not lower them, but prices dropped on specific occasions along with international coffee prices.

We had a long crisis due to a drop in international coffee prices, and people resented that circumstance. That didn't happen only to coffee prices, but to those for cotton, banana, and several agricultural products in general.

And yes, people do resent those situations. But today the situation is entirely different. Colombia is experiencing a bonanza, very good domestic prices, a remarkable recovery of international prices, and I am confident that currently the mood is optimistic.

[EL ESPECTADOR] Do you agree with the coffee commission's recommendation to privatize the Coffee Fund?

[Gaviria] I do not think it is a matter of privatizing the Coffee Fund, but of privatizing all export activities and completely separating them from the Fund's management. I strongly believe we should specialize. It is necessary to separate a number of different functions. The document by the coffee commission is a good beginning for agreeing on certain tasks that should be implemented in the next few years. As as I understand it, the coffee association agrees with most of the conclusions of this document.

[EL ESPECTADOR] Workers criticize changes in the social security system. Were you pleased with the changes?

[Gaviria] Yes. The changes are very important. As for pensions, there will be a program of competition and individual capitalization which will substantially increase savings for Colombians and will generate the savings necessary to cover retirements. This program will also be one of solidarity. The reform also proposes a health plan that will provide very good coverage in a few years. It is an important plan because it is a highly solidary plan in which the rich will subsidize the lower classes. This change will enable Colombia to take a giant step forward in social security.

[EL ESPECTADOR] In the document they recently submitted, coffee groups argue that, in terms of roads, you are leaving behind you the most backward country in Latin America?

[Gaviria] We are truly behind on roads. This is because of very difficult topography—the most complicated in Latin America.

We have made progress on the main highway to La Paz, the roads to the coast and Tumaco, and the side roads in jungle areas and Llano.

But the country will have to make a tremendous effort in the next few years because completing the road system cannot just be done with budget funds.

The widening will have to be done through a contract system and raising fares will be necessary in order to have highways with better standards, thus meeting the demands created by the rapid increase in the number of vehicles in Colombia.

If Colombians think that roads will come from budget funds, they are wrong because that will not be possible. Another key issue here is that in order to make more social investments, greater private investment is necessary.

[EL ESPECTADOR] Your critics claim that the government gave priority to spending on justice and the Armed Forces to the detriment of social causes, but justice did not improve and the Army did not make progress toward its goal of defeating the guerrillas...

[Gaviria] Let us go by parts. It is true that allocations for security increased over 60 percent, and for justice over 100 percent. But at the same time, funds allocated for public services and infrastructure also increased. As a result, social investment has also grown substantially—almost 50 percent.

And where did the funds for all this come from? From two tax reforms: the 1990 and 1992 reforms. Public revenues, including revenues from abroad, register a high growth rate. Such is the case with customs revenues, which despite the opening up and the tariff reductions, have registered considerable growth. The modernization of the state, the closing of institutions, a reduction in the number of plants, and other things have also freed up public funds. Therefore, since public revenues have increased so much, we have also been able to increase spending on infrastructure. This is where we are.

Another issue is that society now wants to tackle new problems and assigns more importance to fighting poverty and, as a result, demands more investment in education. I agree with this.

Those last topics comprise the current agenda because they follow those topics we have tackled in the past few years. The new administration faces a great challenge and will have to do a remarkable job.

[EL ESPECTADOR] Has there been a lack of cooperation from your ministers who chose to go on vacation rather than to help with the transition?

[Gaviria] In general, President-elect Samper and I have been satisfied with the transition. In fact, the best example of a good transition is in the Finance and Public Credit Ministry; proof is the joint decision on the coffee

agreement. We have handled international policy topics on the basis of a common accord.

In addition, the situation that arose in the wake of Prosecutor De Greiff's retirement, based on a ruling by the court, was also handled on the basis of a common accord. We have been working on reaching consensus on decisions that may be made in the next days on some topics dealing with telecommunications.

I believe we have made a good transition. We have a good rapport with Samper's ministers. But obviously nothing is ever perfect, and some flaws exist. I understand the discomfort because a minister went away for a few days to accept an invitation. (A clear reference to Rudolf Hommes, finance and public credit minister, who went on vacation in the middle of the transition.)

[EL ESPECTADOR] Did a civilian defense minister work out?

[Gaviria] It worked out fine. I believe it has been a good experience. In addition, a civilian defense minister coincided with a period in which major transformations have taken place: police reform and major investments in security. That decision was not made to weaken the military forces but to strengthen them, to give them greater support, to initiate a transformation process, and to adjust them to the new Constitution. It has been a rather positive experience.

[EL ESPECTADOR] It has been said that one can govern well if there is no opposition. You did not have any....

[Gaviria] I believe that is relative. I faced a great deal of criticism, severe criticism during these four years.

Another thing was not facing any major political opposition, that is true. But it is also true that it has been traditional in Colombian life not to have major political opposition. Perhaps the only person who did was former President Virgilio Barco.

Now, the news media have been critical and harsh. Another thing is that they made a great contribution because they were attuned to the political and economic reforms undertaken during this period.

Anyone who reads any Colombian newspaper from these past four years and analyzes the opinion columns and the news will realize that there has been no lack of criticism.

Perhaps I did not face a systematic opposition, meaning one that said that everything the administration did was wrong, but I have come under severe criticism during difficult times.

What I can tell you is that no sector, that is, the news media, the Congress, or anybody, opposed the major changes, or that I failed to do something because the opposition did not let me.

This government has been characterized by its explanation of its actions. I have taken great care to inform people on and present the issues.

It is your own fault if you are misunderstood. That applies to everything. That is why you have to explain.

[EL ESPECTADOR] What will you do when you go to the OAS?

[Gaviria] Work with zeal and enthusiasm to adjust the organization to the new times and agenda. That organization has changed. It happens, however, that the world has changed so rapidly that organizations have not caught up with those changes. The continent has new objectives for commerce, human rights, greater democracy, the environment, all those issues that we have to promote in the future.

[EL ESPECTADOR] Is it true you were making excessive demands over your move to OAS headquarters?

[Gaviria] That is a lie. I am a very simple and plain person. What happened was that the house is very old and needs maintenance. In the interim another house will be leased.

[EL ESPECTADOR] We have seen you use a cane. Did you have many health problems?

[Gaviria] Not health problems, no. It so happens that when you play sports every day you have accidents, troubles, and pains every so often.

Ecuador

President Blames Past Regimes for Problems

PA0908041594 Quito Voz de los Andes in Spanish 2300 GMT 5 Aug 94

[From the "The Voz Andes Newscast"]

[Text] President Sixto Duran Ballen emphatically stated that the current administration should not be blamed for the deficiencies and shortcomings weighing the country down throughout its history, especially in past years.

The president spoke at the solemn session to commemorate another anniversary of the city of Esmeraldas. He said the current government's actions are geared precisely toward respond to those deficiencies and added that the government has been furthering the modernization process necessary to confront regional integration challenges and commercial competitiveness at all levels. In this sense, the president confirmed that the government will not falter in its determination to confront a situation that should have been faced by previous governments many years ago but was irresponsibly eluded. Thus, he said, it is illogical and unfair to attribute all the country's afflictions to the current administration.

Foreign Minister Praises Banana Summit

PA0908041694 Quito Voz de los Andes in Spanish 2300 GMT 5 Aug 94

[From the "The Voz Andes Newscast"]

[Text] Quito—Foreign Minister Diego Paredes Pena stated that the Latin American Banana Summit in Panama was an open, positive event. The meeting was attended by delegates from banana-exporting countries, who reinforced their commitment to promote free and just marketing of the fruit. The foreign minister said the delegates decided to establish a technical committee made up of representatives from banana-exporting countries and Mexico and Ecuador. The committee would work to find mechanisms for uniting this organization or to create a new Latin American association of banana-exporting countries which takes into account the modern changes in the fruit's international marketing strategy.

Creditor Banks Accept Refinancing Plan

PA1008044494 Paris AFP in Spanish 1708 GMT 9 Aug 94

[Text] Quito, 9 Aug (AFP)—Cesar Robalino, Ecuadoran finance and public credit minister, reported today 85 percent of creditor banks have accepted a plan to refinance the Ecuadoran foreign debt by granting a 45-percent discount on the principal of the debt.

He said: "We are pleased with the percentage of banks that have accepted the plan, 85 percent to date, and we expect to receive a reply from the remainder of the banks shortly."

Of the total amount of liabilities, \$12 billion, Ecuador owes \$7.58 billion to more than 400 private banks grouped under the so-called Debt Management Committee [Comite de Gestion]. Of this amount, \$4.471 billion represent principals, \$2.283 billion overdue interests, and \$826 million accrued surcharges in arrears, according to the terms of the original contracts.

Rightist Ecuadoran President Sixto Duran-Ballen announced in May "it is very pleasing and agreeable to inform you that following a complex negotiation process, my government has reached an agreement with international commercial banks, an agreement that will allow us to at last refinance the Ecuadoran foreign debt."

He said: "We have been able to refinance the principal owed in a 30-year period and with a 45-percent discount," adding: "overdue interests were refinanced in a 20-year period under very favorable interest rates and a 10-year grace period."

"The manner in which our creditors have responded gives us a clear indication the market is supporting the economic reform program," Minister Robalino stressed.

In addition, Ecuador was able to renegotiate \$390 million corresponding to the 1993 and 1994 debt maturities owed to the Paris Club, a debt which amounts to \$1.179 billion.

"The country agreed to pay only 18 percent of the debt (maturities), amounting to \$70 million, half of which will be paid by late 1994, and the other half will be paid in three installments throughout 1995," reported Ana Lucia Armijos, president of the Monetary Board, the organization which controls the national economy.

Within the framework of the Paris Club, Ecuador owes money to Germany (\$65.6 million); Canada (\$26.9 million); Spain (\$26.6 million); the United States (\$105.1 million); France (\$112.1 million); Israel (\$204.4 million); Italy (\$309.5 million); Japan (\$196.1 million); Norway (\$43 million); and the United Kingdom (\$90 million). Meanwhile, Switzerland (\$22.9 million), Belgium, and Denmark have pardoned their Ecuadoran debts.

Ω Poll: Public Confidence in Police Plummets 94P21039

[Editorial Report] Quito HOY in Spanish on 26 June published the results of an Informe Confidencial poll, tracking the public's opinion of the police from 23 October 1993 to 11 June 1994. Guayaquil and Quito residents were asked the single question: "How much confidence do you have in the National Police?"

In October 1993, when Guido Nunez assumed Ecuador's National Police command, public confidence in the police was very low. The poll reveals that 72 percent of Quito residents and 73 percent of Guayaquil residents had "little" or no confidence in the police. By April, public confidence was slowly increasing: 41 percent of Quito residents and 45 percent of Guayaquil residents said they had "a lot" or "some" confidence in the police. In June, when Nunez was forced to resign following corruption charges brought against him by a fellow officer, public confidence in the police plummeted: 80 percent of Quito and Guayaquil residents said they had "little" or "absolutely no" confidence in the police.

Jaime Duran Barba and Santiago Nieto of Informe Confidencial asserted that the accusations against the police commander and the accompanying "internecine feud" within the force had nullified police efforts to reform the institution's image. According to the pollsters, the public's negative reaction to "one of society's most important institutions," was part of the increasingly negative mood among Ecuadoreans in the face of rising unemployment, lack of development perspectives, poverty, and the loss of authority among the political classes. "The country," they continued, "is undergoing a crisis of despair and lack of confidence in the future," and "people take comfort in others' misfortunes, delighting in calumny and slander." Noting that the police force is an easy institution to attack, Duran and Nieto blamed the media for negatively influencing public opinion, and a Presidential Commission for setting up a telephone hotline to take accusations against the police force.

Uruguay

Leftist Election Policies Viewed

PY0908183094 Montevideo BUSQUEDA in Spanish
28 Jul 94 pp 16, 17

[Excerpt] The names of Aparicio Saravia, Luis Alberto de Herrera, Jose Batlle y Ordóñez, Willy Brandt, Leon Blum, and even King Solomon seem to have replaced Carlos Marx, Friedrich Engels, Vladimir I. Lenin, Rosa Luxemburg, and Antonio Gamsi in the traditional symbolization of the Uruguayan left. During the Socialist Party [PS] congress on 24 July, a passage from the Bible was applauded with open enthusiasm and instead of singing the historical International, which urges "the slaves without bread" to engage in "the final struggle," the Socialists relished a stanza of the "Three Trees" march—the National Party theme song.

References to the new ideological models of the left were particularly abundant at the closing of the PS congress, when the Progressive Encounter's (EP) slate—comprising [Montevideo Mayor] Tabare Vazquez and [Cerro Largo Mayor] Rodolfo Nin Novoa—was announced. The EP is defined as the electoral expression of a new "religion" that does not have "the revealed truth."

This announcement was the grand finale of the PS Congress. It crowned the total success achieved by the "moderate" factions within the Broad Front on 23 July after struggling for months with Vazquez and the Socialists for a "feasible left."

By a large majority, a special Broad Front commission decided on 23 July to embark upon the path of political alliances and nominate Nin Novoa as Vazquez's running-mate and Adolfo Perez Piera, of the Social Democratic Party, as alternate candidate of Mariano Arana for the Montevideo mayoralty.

Microphone in hand, Nin Novoa glanced around the hall where some 800 people had gathered. He greeted his Socialist audience with "dear comrades," which drew rapturous applause. He added: "And dear fellow party members—(because) we do not consider this to be a business. From now on we will be, without exception, fellow party members of the progressive religion."

He added: "We do not yet have the revealed truth, but others do not have it either."

Nin Novoa said the EP wants to govern so that it can "share it with the people" adding that "we do not promise the solution to each and every problem if we are successful at the poll. The solution will (arise) from the balanced and collective action of the entire Uruguayan society."

The vice-presidential candidate asserted that a "progressive" philosophy had to implement a "humane touch" on government decisions and fill them "with tenderness."

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Clearly alluding to the [Colorado Party] ticket—comprising Julio Maria Sanguinetti and Hugo Batalla, who on 22 July launched Mario Carminatti's candidacy for the IMM [Montevideo mayoralty]—Nin Novoa said: "We will propose ideas. We will have less hot air but many more proposals. There will be less bragging, less show-boating, less nonsense, less video walls [two preceding words given in English], but many more ideas."

Nin Novoa added: "Above all, this battle and challenge will seek ideas and proposals that will be placed on the negotiating table. One very important point is that this process must be handled by people with credibility. This is the big difference in this election campaign: Who can be believed and who cannot be believed."

The mayor maintained that "it is not easy to do what we have jointly done," adding that "we took off our party colors, put them in our pockets close to the heart, and put on the national colors, the colors of the fatherland."

He said that one objective of the Progressive Encounter is "to turn unhappy people into the most privileged people," a phrase originally coined by Jose Gervasio Artigas that Tabare Vazquez repeatedly uses.

Nin Novoa concluded his address paraphrasing some lines from the National Party "Three Trees" march: "Firm in the struggle, to live is to fight with the hope of winning."

Vazquez began his speech with a historic quote that also comes from the National Party's heritage: "Dignity above and joy below." Recalling National Party caudillo Aparicio Saravia Vazquez, he called the National Party a "prestigious and glorious" party.

On the "Nowadays" program aired by Television Channel 5 on 22 July, Vazquez recognized the work of former President Jose Batlle y Ordonez and nationalist caudillo Luis Alberto de Herrera. "Tomorrow they will be saying I want to be on everyone's side," he pondered.

Vazquez criticized [Mario] Carminatti. He said Mariano Arana is "a great person" and "a great technician" who "has what the people of Montevideo want in a candidate for the mayoralty of Montevideo: He is a pure-bred Montevideano."

In an apparent attempt to compare Nin Novoa with Hugo Batalla, Vazquez said the Cerro Largo mayor "has something Uruguayans want: Political coherence."

He demanded that election campaign discussions "should feature a confrontation of ideas, programs, projects, and a comparison of the achievements of governments."

Warning about what he will be criticized for "citing the book of books" during the closure of a PS congress, Vazquez referred to the statements attributed to King Solomon in the Book of Ecclesiastes.

Vazquez said: "There is a time for each thing. That an action under the sun always acknowledges a time, a time to be born and a time to die, a time to sow and a time to reap, a time to wound and a time to heal, a time to tear and a time to sew, a time to embrace and a time to separate, a time to love and a time to hate, and a time for war and a time for peace."

He added: "This is the time to be born, to live, create, sow, love, and of peace. This means all members of the EP must work hard so that this message of peace and profound changes will reach the entire country and change a destiny has been so elusive."

Vazquez also paraphrased the late Willy Brandt, a leading European social democrat, indicating that "the commitment is to work for a good world." He also recalled French socialist Leon Blum, who told his Nazi jailers that he continued to believe in socialism. Vazquez said: "I believe because I am awaiting it."

He said: "We must tell Uruguay: We believe in you, Uruguay, because within you we are awaiting and within you we will find the paths of change." [passage omitted]

Venezuela

Caldera Urges Colombian Investors To Stay Calm

PA1008002794 Caracas Union Radio Network in Spanish 2200 GMT 7 Aug 94

[From the "Union Radio News" newscast]

[Text] Upon his arrival in Santa Fe de Bogota today to attend Colombian President Ernesto Samper's inaugural ceremony, Venezuelan President Rafael Caldera urged Colombian investors and businessmen to remain calm and unapprehensive.

Caldera told the businessmen that problems in Venezuela are under control and that a number of measures, such as foreign exchange and price controls, have been implemented to achieve the economic balance the nation requires.

Mentioning another issue in his statements to the Colombian media, the Venezuelan president rejected the name Coquibacoa, which several Colombian reporters have used in reference to the Gulf of Venezuela. He said the gulf is Venezuelan and will continue to be called the Gulf of Venezuela.

Government Decrees Broader Confiscation Powers

PA0908191094 Madrid EFE in Spanish 2127 GMT 3 Aug 94

[Excerpt] Caracas, 3 Aug (EFE)—Official sources revealed today that the Venezuelan Government has issued a decree broadening its powers to seize the assets of banks in which the state has intervened. This includes assets of the debtors of these institutions.

The decree, issued by Venezuelan President Rafael Caldera, authorizes the Attorney General's Office to seize real estate, loans, shares, or property rights to any asset registered in the name of individuals or companies that have debts with any of the eight banks in which the state has intervened.

The decree strictly prohibits, effective with its promulgation, negotiation of such assets by their owners. This restriction will be suspended only when debtors pay or provide a satisfactory guarantee that they will pay their debts.

If any debtor, be it a company or an individual, transfers his assets, such transactions would be automatically void and would be subject to as yet unspecified penalties.

Such penalties would apply also to those judges or public officials who transact any possible negotiations by debtors of the banks in which the state has intervened.

Official sources indicated that this decree will enable the state to recover over \$5 billion that the government transferred as financial assistance to the eight financial institutions in which the state intervened two months ago. [passage omitted]

Government Assumes Control of Bank

PA0908171294 Caracas Union Radio Network in Spanish 1100 GMT 9 Aug 94

[Report by Zayda Pereira; from the "Union Radio News" newscast]

[Text] No official spokesperson has volunteered information since it was learned that the Banco de Venezuela is now in government hands.

In light of this situation, Banks Superintendent Tesalio Cadenas said that any government decision would be the best for the country.

Meanwhile, Norys Aguirre, president of the Deposit Guarantee and Banking Protection, Fogade, has blamed the press for the current situation. Aguirre said that reporters will pay dearly for this.

Finance Minister Julio Sosa said that the president of the Republic would be making the official announcement. But his statement was denied by the minister in the Central Information Office (OCI), who said that the finance minister would be the one making the statement at 1600 at the Finance Ministry. At 1600 the Finance Ministry's public relations office reported that Minister Sosa was in a meeting at the Banco de Venezuela with the Financial Emergency Board.

Because no one at the Finance Ministry would make a statement, most of the reporters went to the Banks Superintendency where the Financial Emergency Board was meeting.

Gustavo Roosen was the only one to speak to the press. He told the reporters that a trust fund system was being

established with the banks facing problems. But he declined to name those banks. Roosen did say that the 130 billion bolivares trust fund would be handled by the Banco Latino and the Banco Industrial de Venezuela. Roosen added that the funds would be repaid in cash by shareholders in these banks. Roosen also said that the Bank of Venezuela is completely in the hands of the state and that some technical matters were being ironed out.

BCV Director Comments on Banking Crisis

PA0908234594 Caracas Union Radio Network in Spanish 1100 GMT 9 Aug 94

[Telephone interview with Domingo Maza Zavala, director of the Central Bank of Venezuela (BCV), by an unidentified station reporter in Caracas; from the "Union Radio News" newscast—live]

[Text] [Reporter] Good morning, Dr. Maza Zavala. Thank you for being here with us on "Union Radio News." Dr. Maza, the first question that comes to mind is this: Is it true that the government will intervene in no other banks? The government said this once, but in the end, the government intervened in eight banks. Many people and many depositors are distressed. They are wondering if they can believe what the government says. Should they believe it?

[Maza] Of course. Financial, monetary, and government officials want to prevent additional interventions. We are employing mechanisms that will allow all of the financial institutions and banks that face liquidity problems to operate normally. You can rest assured that the government will not intervene in any more banks.

[Reporter] Yesterday, many people were asking themselves why there was intervention in banks a few months ago, while now other measures are being sought to help banks that are having liquidity problems. This is what was done with the Banco de Venezuela. It was learned yesterday that the government is taking over the bank but is keeping it open to the public. Why did the government order closures in the past, while today it helps keep banks open? Why was this system not used from the very beginning? Analysts claim that the acute financial crisis could have been averted had this been done from the very beginning.

[Maza] The financial crisis began in January when the government intervened in the Banco Latino. It was a difficult and complicated process that demanded the allocation of huge amounts of money. The financial aid granted through June is greater than 800 billion bolivares. This is a debt that Fogade [Deposit Guarantee and Banking Protection Fund] has with the Central Bank of Venezuela. In other words, it is the state's debt.

We could continue by not providing this financial aid. Unfortunately, when financial aid was being allocated, there were not enough funds for the banks to continue operating. Today, however, we have more experience in

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terms of the banks' difficulties with liquidity and solvency. We also have created mechanisms we did not have in the beginning. Today, the shareholders are contributing private funds to strengthen the banks. This did not happen earlier. The other banks also have contributed to keeping the banks open by providing the necessary means and resources.

[Reporter] Dr. Maza Zavala, will the method of merging a group of small banks into a single institution be suggested within the next few days, thereby resolving the liquidity problem encountered by some of the banks? Will this be one of the solutions? Will we see small banks merging within the next several weeks or months?

[Maza] Yes, I believe this is what the financial system needs to prevent additional problems. This would be one way to concentrate resources and management and to strengthen the financial institutions.

Personally, I do not believe that, in the long run, this will be the best solution. Too much centralization in the financial system would diminish competition among banks, and this is not in the best interest of the country. However, for the time being, it does seem to be one solution to the situation faced by the banks. Many small and medium-sized banks could not ride out the crisis, specifically the crisis in confidence. Much of the problem is due to a lack of trust and to instability and uncertainty. This situation also was observed in institutions that in the past had been considered very solid institutions.

[Reporter] Dr. Maza, regarding the Banco de Venezuela, how will the bank operate? Who will handle it? How is this going to be done? There is a great deal of concern over this problem.

[Maza] Whatever happens, Fogade will guarantee that nothing will happen to the people. As you know, the government is behind Fogade and the banking system. Depositors who have up to 4 (?million) bolivares deposited in the bank do not have to worry because their money is insured.

As far as I know, the government is not interested in owning or controlling financial institutions that were in private hands in the past. Joint administration—in other words, the current government and private administration—is not permanent. This is a temporary measure and will only be enforced until these institutions find a solution to their problems during a period of reorganization and recapitalization. Once this is done, they will go back to being private institutions. This is more or less what has been decided on the issue.

[Reporter] Dr. Maza, there has been a great deal of criticism about the way the Financial Emergency Board is granting dollars. It would seem that we are facing difficult times ahead. Do you see our economy improving, or are we still facing difficult months ahead?

[Maza] As you have said, the times have been difficult and complicated, not only in terms of financial and

monetary matters, but also in terms of foreign exchange and fiscal matters. Efforts are being made to overcome the most difficult problems.

Regarding foreign exchange, I believe that soon, within the next few days, a normal flow of foreign exchange for import purposes and for payments abroad will become available. The problem is that the establishment of a new foreign exchange regime always brings with it misinformation, uncertainty, and a lack of experience. We are overcoming these problems while the system becomes operational and organized.

Finance Minister Notes Foreign Reserve Increase

PA1008002694 Caracas EL UNIVERSAL in Spanish
6 Aug 94 p 2-1

[Text] Finance Minister Julio Sosa Rodriguez today reported that the country's international reserves have increased by \$900 million over the past several weeks. He said Venezuela is a nation with considerable natural and human resources, and he added that its nontraditional exports have increased so much that foreign exchange controls can only be viewed as a temporary measure.

Sosa Rodriguez emphasized that Venezuela does not lack foreign exchange to cover its basic needs. This, he said, has been triggered by an unusual situation—a situation of destabilization, attempts to foment political destabilization, and an excess of money in circulation. Nevertheless, we have enough foreign exchange, and, moreover, we will have a favorable trade balance. Therefore, there is no reason that the foreign exchange requirements on imports should not return to normal within the foreseeable future.

The finance minister noted that 800 million bolivares from banking debits enter the national treasury every day, and he added that the extension of the debits beyond December still has not been decided.

Government Issues Economic Stabilization Plans

PA0908172294 Caracas Union Radio Network in Spanish 1100 GMT 9 Aug 94

[Report by Zayda Pereira; from the "Union Radio News" newscast]

[Text] OCI [Central Information Office] Minister Guillermo Alvarez Bajares has issued a communique on the government's position on the financial situation and measures that could be adopted. The communique states that the national government, in accordance with its policy designed to ensure improvement and strengthening of the country's financial system through the Financial Emergency Board, informs the country that a group of measures is being adopted to coherently and broadly find a definite solution to the problems confronting the financial sector.

[Begin Alvarez recording] This is why it is important to stress that all financial institutions will continue to keep their doors open to the public. The measures only correspond to and affect the management of banks, not depositors. The specific measures to be adopted will be announced tomorrow by the Financial Emergency Board, the Banks Superintendency, and Fogade [Deposit Guarantee and Banking Protection]. [end recording]

According to Alvarez Bajares, the plan does not include interventions and is part of the overall macroeconomic stabilization plan that the government will announce in the next 15 days. The plan includes measures that will strengthen the country's fiscal balance, a reduction of the [word indistinct] liquidity, and the strengthening of the macroeconomic balance.

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